

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

Senior and Long Term Care Division

EXHIBIT 6
DATE 1-22-07
HB 2

DIVISION CONTACTS

The department, division, program director and chief financial officer for the department, division, program and their contact information are:

Title	Name	Phone Number	E-mail address
Director	Joan Miles	444-5622	jmiles@mt.gov
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WHAT THE DIVISION DOES

The Senior and Long Term Care Division (SLTC) plans, administers, and provides publicly-funded long-term care services for Montana's senior citizens and persons with physical disabilities. In addition, the division provides education and support regarding aging and long-term care issues to Montanans of all ages

The Division manages payments to Medicaid funded nursing facilities and Medicaid funded home and community long term care programs; provides nursing facility services in two state veterans nursing homes, manages programs for senior citizens under the federal older Americans act, provides adult protective services to vulnerable senior citizens and people with disabilities; manages the state supplement to the federal SSI payments system, and plans for and educates the public about long term care issues and services and addresses aging related issues.

The Mission of the Division is to advocate for and promote dignity and independence for older Montanans and Montanans with disabilities by:

- Providing information, education and assistance:
- Planning, developing and providing for quality long-term care services, and.
- Operating within a cost-effective service delivery system.

Statutory Authority For Division

Aging Services, 52-3-201 et seq., MCA, (Protection Services Act for Aged Persons or Disabled Adults), 52-3-501 et seq., MCA, (Montana Older Americans Act), 52-3-801 et seq., MCA, (Montana Elder and Developmentally Disabled Abuse Prevention Act); P.L.89-75 (Federal Older Americans Act), P.L. 93-66 Section 212, P.L. 93-233 (authorizes states to supplement the Supplemental Security Income Amendments to the (SSI) Payments Program Social Security Act); Veteran's Homes, 10-2-401, MCA (authorizes and establishes Montana Veteran's Homes); 53-1-602, MCA (Eastern Montana Veteran's Home); Medicaid, Title 53, Chapter 6, MCA; Title 19, Social Security Act 42 USC 1396 et. seq. (establishes and authorizes Medicaid Program).

HOW SERVICES ARE PROVIDED

The Division is charged with serving three key groups of people: 1. Senior citizens who are in need of or who are planning for long term care; 2. People with serious disabilities who are in need of long term care and who are not developmentally disabled; and 3. Baby Boomers who are helping their parents as they age or planning to meet their own long term care needs in the future.

The Division has a total staff of 193.44 FTE, with 123.69 of these FTE working in the state operated veterans nursing facility. The Division makes services available through six major programs:

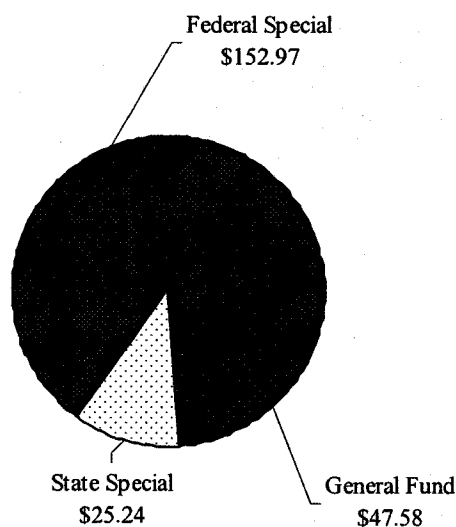
- 1) The Office on Aging provides meals, transportation, public education, information and assistance, long-term care ombudsman and other services;
- 2) Medicaid Community Services Program pays for in-home, assisted living, and other community-based services to Medicaid-eligible individuals as an alternative to nursing home care;
- 3) Medicaid Nursing Facility Program pays for care to Medicaid-eligible individuals in 90 Montana nursing homes;
- 4) Protective services, including the investigation of abuse, neglect and exploitation are provided by adult protective services social workers;
- 5) Skilled nursing facility care is provided to veterans at the 105-bed Montana Veterans Home (MVH) in Columbia Falls and the 80-bed Eastern Montana Veterans Home in Glendive; and
- 6) The State Supplemental Payments Program pays for a portion of the room and board costs for SSI eligible individuals residing in designated residential care facilities.

The largest source of funding in the Division is the federal Medicaid program. The federal government pays approximately 69% of Medicaid expenditures, while the state provides the remaining 31% in matching funds.

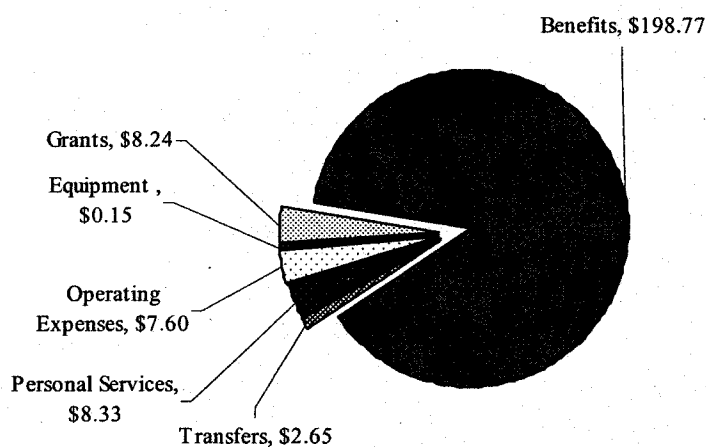
Spending and Funding Information

The following figures show funding and expenditure information for FY 2006 for all sources of funding of the Senior and Long Term Care Division. Because the figures include all sources of funding there are no direct relationships between these figures and appropriation levels presented in the Budget Analysis for the 2007 Biennium.

FY 2006 Funding



FY 2006 First Level Expenditures



The division did not have any administrative appropriations in fiscal year 2006.

The following figures show funding and expenditures from FY 2002 through FY 2006, which includes funding from HB 2 as well as HB 749 Nursing Facility Provider Tax (\$11.949 million).

*The 2005 Legislature provided for biennial, restricted, one-time-only general fund appropriation of \$600,000 to support in-home caregiver services. These funds were passed through to Area Agencies on Aging to provide in-home care giving services to elderly citizens residing in their homes. The appropriation was designated as one-time-only and as such, it is not included in the 2006 base budget.

*The 2005 Legislature provided \$567,000 of OTO general funds to the Aging programs for grants to local Area Agencies on Aging for Meals on Wheels, congregate feeding programs and other programs for the elderly in the community. \$257,000 of this dollar amount represents funding that was removed during the 2003 biennium from these programs and was temporarily restored during FY2004 with federal funds from Jobs and Growth Tax Relief Reconciliation Act and \$310,000 which represents new general fund added in the 2005 biennium. This appropriation was designated as one-time- only and as such, it is not included in the 2006 base budget.

*The 2005 legislature allocated skilled nursing facilities and community based providers direct care worker wage increases of \$13.7 of general fund, tobacco state special revenue and federal funds over the biennium to increase direct care worker wages by a \$1.00 (75 cents and hour in salary and 25 cents and hour in benefits). A report on the implementation of these direct care wage increases was provided to the Legislative Finance Committee in the interim.

*The 2005 legislature approved a 3% provider rate increase in nursing facility and community services programs funded with I-149 state special revenue and federal Medicaid matching funds.

*The 2005 legislature funded an expansion of the home and community based services waiver by approximately 112 people using general funds, state special revenue from I -149 funds and federal Medicaid funds

*Nursing Facility Provider Tax provided increased funding for the nursing home program. The provider tax increased between FY 06 and FY 07 from \$7.05 to \$8.30 per day providing state special revenue funds for increases in nursing facility payments.

2007 Biennium FTE Hire Dates	FTE	Date

FTE

No additional FTE were approved in the 2007 Biennium for this Division.

CORRECTIVE ACTION PLANS

The Adult Protective Services program had a Caseload Management Performance Audit (04P-09) performed by the Legislative Audit Division in September, 2004 that addressed workload/caseload issues. Auditors recommended improvements in managing caseload and staff workload by developing management action plans that address: 1) developing caseload/workload management policies and procedures; 2) establishing useful management reports to better manage caseloads; 3) defining criteria to close cases; 4) performing on-going management assessment to address problems and documenting successes.

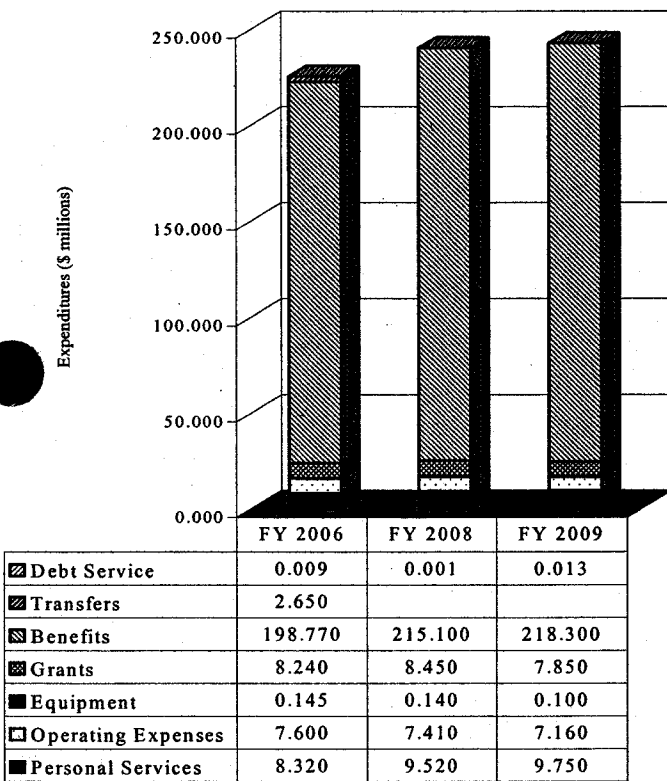
The Adult Protective Services program has implemented all of the components of the corrective action plan. The program underwent a system wide review of its caseload/workload management processes and policies. Commencing on July 1, 2005, the program initiated a sophisticated web-based computer data system known as Operation Protect Montana (OPM) and simultaneously adopted policies and coordinated changes with the computer system. The program instituted comprehensive

load tracking by social worker; workload or acuity (difficulty of case) tracking; comparisons of workload and caseload by social worker, region, county and state; developed comprehensive reporting on duration of open referrals and comparisons among social workers, county, region and state; computer driven criteria to close cases; improved on-going management assessment on referrals, intervention and resources by instituting social work accepted standards.

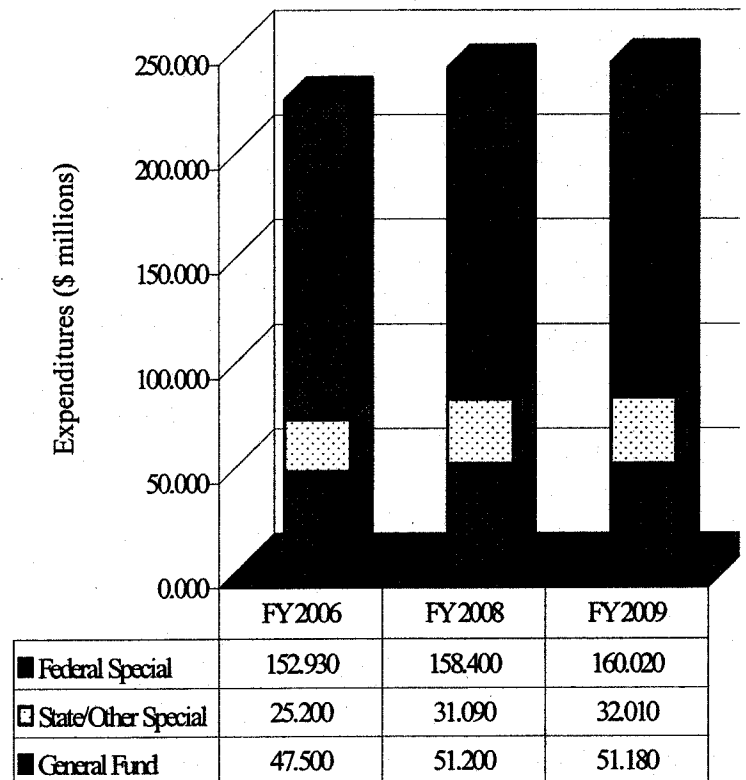
2009 BIENNIUM BUDGET

The following figures show the proposed HB 2 budget for the 2009 biennium.

DPHHS
2009 Biennium HB2 Budget



DPHHS
2009 Biennium HB2 Budget



Goals and Measurable Objectives

The following figure shows the department base year and budgeted biennium goals and performance measures that are associated with the proposed 2009 biennium HB 2 budget.

Department of Public Health and Human Services
Senior and Long Term Care Division

Measurable Objectives for the 2009 Biennium

Goal	Measurable Objectives	Current status of Measures
Operate an efficient and cost effective long-term care system. (Medicaid Goal 6 and 7)	<p>1. Maintain the total long-term care expenditures of the SLTCD within the budget established by the legislature for each year of the 2008/2009 biennium.</p> <p>2. Pursue additional federal funding opportunities to enhance or expand services without the need for additional state dollars.</p>	<p>1. Budget has been managed within appropriation levels since 1998. Continue contract with Mountain Pacific Quality Health Foundation to authorize Personal Assistance Services uniformly across the State.</p> <p>Monthly analysis of paid claims, utilization activity for trending and projection of program expenditures.</p> <p>2. Division currently operates 4 grants which provide federal funding for service development; Alzheimer's grant, TBI grant, Big Sky Bonanza grant; Aging Resource Grant</p>
Increase the ability of Montanans to prepare to meet their own long-term care needs, or the long-term care needs of a relative or a friend.	<p>1. Increase the number of requests for information on the State Aging Hotline and AAA toll free number each year.</p> <p>2. Maintain or increase the number of home delivered meals served through the Aging Network.</p> <p>3. Increase the number of Information and Assistance program contacts each year.</p> <p>4. Increase the number of individuals served each year by the State Health Insurance Program (SHIP).</p> <p>5. Maintain the number of participants at the Governor's Conference on Aging each year.</p> <p>6. SLTCD staff will conduct at least 100 public presentations each year.</p> <p>7. Increase the number of visits to the SLTCD website each year.</p> <p>8. Develop a coordinated continuing public education campaign to inform Montanans about long term care issues and options emphasizing the need for individual long term care planning and personal responsibility for individual health care needs.</p> <p>9. Revise or update the annual State of Aging in Montana report.</p> <p>10. Maintain or increase the average monthly visitation rates by ombudsmen to licensed nursing facilities, assisted living facilities and Critical Access Hospitals with swing beds each year.</p>	<p>1. AAA line calls were 20,000 Aging Hotline 3,000</p> <p>2. 630,371 home delivered meals were provided in 2006</p> <p>3. 70,000 contacts made in 2006</p> <p>4. 42,000 contacts were made in 2006</p> <p>6. 260 presentations were provided in 2006</p> <p>7. 190,000 people accessed web site</p> <p>8. Continue aging horizons TV shows airings at 100 or more airings per week.</p> <p>9. State of aging report was completed in Nov. 2006</p> <p>10. Visits to nursing homes, assisted living facilities were on average one per month</p>

	<p>11. Increase the number of counties that have Aging and Disability Resource Centers and increase the number of clients these Centers assist with eligibility for public benefits.</p> <p>12. Increase the number of caregivers receiving supportive services (including respite care) and increase the project income for these services.</p>	<p>11. Yellowstone and surrounding counties have resource centers, Missoula/Ravalli Co added in 2007</p> <p>12. Current project income is based on suggested donations and is approximately \$180,000 in 2006</p>
<p>Increase the number of Montanans who meet some or all of their own, or someone else's long-term care needs.</p>	<p>1. Increase the number of people with long term care insurance as measured by the number of people claiming a tax deduction for long term care insurance on their state income tax returns.</p> <p>2. Increase the number of people taking the tax credit for caring for an elderly dependent.</p> <p>3. Increase the average amount of daily patient contributions paid towards Medicaid nursing home care.</p> <p>4. Increase the funds recovered under the Medicaid lien and estate recovery program.</p> <p>5. Increase the percentage of people privately paying for nursing home care each state fiscal year.</p>	<p>1 and 2. Monitor utilization of tax deduction and credit for impacts on Medicaid program as a whole.</p> <p>Tax Deductions 10,500 Tax Credits 50 (2005 DOR income tax returns)</p> <p>3. \$24.50 is FY 2006 current patient contribution</p> <p>4. Monitor collections and impact on programs that use these revenues as a source of funding.</p> <p>5. 30% private pay currently</p>
<p>Ensure high quality of publicly funded long-term care services to Montanans.</p> <p>(Medicaid Goal 5)</p>	<p>1. Pursue provider rate increases and direct care wage and health insurance initiatives for providers that serve a high proportion of Medicaid consumers to maintain access to services.</p> <p>2. Pursue avenues to maintain the current level of funding that is derived from provider taxes to enhance and stabilize Medicaid nursing facility price based reimbursement system.</p> <p>3. Continue to assist financially strapped rural county affiliated nursing homes by increasing their Medicaid reimbursement rates through the use of intergovernmental transfers of matching funds to the SLTCD.</p> <p>4. Maintain or increase the current percentage of reasonable costs per day reimbursed by the Medicaid nursing home program.</p>	<p>1,2,3. Continue to utilize nursing facility provider taxes and county funding mechanisms through IGT's to fund programs within federal guidelines.</p> <p>4. 99.87% cost per day covered using net funding. 102% using total gross rate to cost analysis</p> <p>DP 22501 Provider rate increase 2.5%</p>
<p>Support Montanans in their desire to stay in their own homes or live in smaller community based residential settings for as long as possible.</p>	<p>1. Increase the total amount of the Senior and Long Term Care Division budget that goes to home and community services.</p> <p>2. Increase the percentage of Montanans age 65 or older who live at home or in small residential alternatives.</p> <p>3. Increase the number of people served under the Medicaid Home and Community Based Services (HCBS) Waiver by at least 100 over the biennium.</p> <p>4. Reduce the percentage of nursing facility residents under age 65.</p> <p>5. Pursue grants to improve services to underserved populations and solidify quality assurance practices.</p>	<p>1. 25% of the overall division budget supports community service programs</p> <p>2. Currently 94.5% of all Montanans age 65 or older live in community settings</p> <p>3. Current Caseload is 1938 DP 22119 expand community based waiver by 102</p> <p>4. Currently 431 individuals under age 65 reside in nursing facilities.</p>

	6. Maintain the average length of stay for an individual on the HCBS Waiver waiting list at less than one year.	6. Currently Average Length of Stay 280 Days
Enhance the ability of the state to protect senior citizens and people with disabilities who are at risk of abuse, neglect and exploitation while ensuring maximum independence and self-determination	<p>1. Work, within budgetary constraints, to maximize services to vulnerable individuals through continuing to pursue additional discretionary monies to support abuse prevention activities over the next biennium.</p> <p>2. Continue to support the development of Chapters affiliated with the National Committee for the Prevention of Elder Abuse and other, similar, prevention organizations.</p> <p>3. Work to effectively decrease the number of guardianships of incapacitated adult individuals held by state agencies by assisting in the development of private, non-profit guardianship provider entities (e.g., councils, individuals and other groups) and transferring appropriate guardianships to those entities. A goal for reduction of state-held guardianships will be 5% (approximately 10 individuals) per year over the next biennium.</p> <p>4. Maintain and utilize the Operation Protect Montana (OPM) protective services data management and reporting system to address ongoing issues of workload/caseload, referrals, guardianships and other protective service needs for the protection of vulnerable adults.</p>	<p>DP 22204 Will provide the ability to use contingency funds that were redirected to maintain OPM system to provide ongoing support to vulnerable individuals</p> <p>3. Current APS guardianships are 200 statewide</p> <p>4. DP 22204 request for ongoing operations funds for operating and maintaining OPM system.</p>
<p>Provide efficient, effective, high quality nursing facility services to Montana Veterans, at the Montana Veterans home and the Eastern Montana Veterans Home</p> <p><i>(Medicaid Goal 3)</i></p>	<p>1. Meet the annual state standards necessary for licensure and certification of nursing facilities at MVH and EMVH during each year in the coming biennium.</p> <p>2. Achieve and maintain occupancy rates equal to, or greater than, those of other nursing facilities in the region of the state in which each facility is located.</p> <p>3. Continue to assess and address direct care staff recruitment and retention difficulties at MVH and EMVH by developing alternative compensation proposals and wage incentives to attract and retain direct care staff at both facilities.</p> <p>4. Request funding to upgrade physical plant at EMVH by replacing roof on building.</p> <p>5. Request funding for remodeling and expansion projects at MVH, which would add additional dining/lounge space, remodel existing nursing station, add three (3) private rooms in order to improved dining capacity, improved nurse supervision of residents, improved quality of care and increased staff efficiency.</p> <p>6. Request additional staffing resources to better meet the needs of residents with dementia/Alzheimer's residing in MVH special care unit.</p>	<p>1. Both Facilities are operating within all licensure and certification standards and meets Veterans Administration and meets Federal Survey and Certification guidelines. Facility certified with no significant deficiencies</p> <p>2. Occupancy rate 68% at EMVH MVH Current facility occupancy is 90% while regional average is about 84%</p> <p>3. DP 22104 Recruitment and Retention Contingency. Recruitment and Retention report follow-up. Monitor staff turn over rate and status of recruitment and retention efforts.</p> <p>4. HB-5 LRBP</p> <p>5. HB-5 Long Range Building</p> <p>DP 22205 Expense Adjustment DP 22103 Facility Upgrades</p> <p>6. DP 22105 SCU staff DP 22106 pharmacy staff</p>

	<p>7. Continue to evaluate the operations of both facilities and assess the feasibility of contracting versus direct operation of Montana's State Veterans' facilities in light of Veterans' Study data.</p> <p>8. Continue to utilize "School to Work" programs in Dawson County to further enhance and improve the grounds at the EMVH facility.</p>	<p>7. Completed Veterans Long Term Care Study in November 2006</p> <p>8. Ongoing projects will be undertaken</p>
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BUDGET AND POLICY ISSUES

The following budget or policy issues are included in the Division budget submission to the Governor's Office. Detailed budget or policy issues pertaining to each of the Divisions programs have been highlighted in each of those program writeups.

Significant Budget Requests:

DP 22119-Waiver Expansion -LFD B -201 Expansion of the Home and Community Based Waiver program to serve approximately 102 new individuals waiting to access community services in home or assisted living settings, supported living, or heavy care services. Request for \$5,298,110 total funds over the biennium including \$1.6 million in general funds.

NP- 22109 - Elderly Meal Programs -LFD B-210 This is a request for \$692,000 general fund each year over the biennium to support aging programs and grants administered by Area Agencies on Aging. This request makes permanent the one-time-only general fund appropriation of \$567,000 from the 2007 biennium and adds a new general fund appropriation of \$125,000 for the aging program.

NP- 22110 - Continue Aging In-Home Caregiver Program - LFD B-211 Request for \$600,000 in general fund over the biennium for Area Agencies on Aging to provide in-home caregiver services to elderly citizens residing in their homes. These funds were originally appropriated as one-time-only in the 2007 Biennium. In order to continue providing in-home services

DP 22501- Provider Rate Increase - LFD B-201 Request for increases for provider rates by 2.5% for the biennium all program. Total funds requested are \$10,372,211 with \$358,026 general funds and \$3,148,464 I-149 Tobacco Initiative funds.

DP 22104 Recruitment and Retention Contingency:- LFD B- 185/206 A request for the establishment of a recruitment and retention contingency in the amount of \$183,000 for FY 2009, for the purpose of maintaining a competitive wage for direct care staff in the Flathead Valley and assist in recruitment and retention of staff.

Other Budget Requests:

Miscellaneous:

PL- 22201 - SLTC Field Office Rent Adjustment - LFD B- 215 This decision package requests \$39,304 total funds for the biennium including \$30,166 in general fund to manage the rent increases needed for existing rental contracts.

PL- 22206 - Dept of Transportation Cars - LFD B-215 This decision package requests \$47,155 total funds over the biennium including \$23,577 general fund to replace six cars owned by the Senior & Long Term Care division with cars from the State Motor Pool. Each of the currently owned cars has reached its functional life-cycle expectancy.

PL- 22208 - State Supplement Caseload Increase - LFD B210 This decision package reflects the projected cost for caseload increase in State Supplemental payments for 20 individuals who will transfer from institutional disability services to community programs. \$24,960 in general fund is requested for FY 2008 and \$49,920 in general fund is requested for FY 2009.

Aging Programs:

NP- 22108 - Additional Aging Ombudsman Position – LFD B-210 Request for an additional 1.00 FTE Ombudsman in the Aging Bureau to address the increasing number of long term care facility options and concerns related to access and advocacy issues for long term care service recipients. This position will be funded from federal funds at approximately \$50,000 per year over the biennium.

NP- 22112 - Additional SHIP FTE for Aging Services –LFD B-212 Request for 1.00 FTE in the Aging Services Bureau for the State Health Insurance Program (SHIP). The position would cost approximately \$48,000 per year in federal funds over the biennium.

*** * NP- 22127 - SLTC Alzheimer Grant Continuation – LFD B212 (Technical Adjustment DP moved to HB 4)**

This decision package requests \$290,000 in federal funds over the biennium. This is a continuation of funding for the third year of grant to implement goals and activities required to develop and/or improve systems for assistance to Montanans diagnosed with, or caring for those with, Alzheimer's disease and related disorders.

Home Based Programs:

DP 22211 PLA Home Based Medicaid FMAP Adjustment LFD B 196 Changes related to the federal participation rate (FMAP) reduction.

DP 22214 PLA Medicaid Home Based Caseload Adjustment LFD B 198 Caseload adjustment for Medicaid home based services that include personal assistance/ home health/ and hospice. Medicaid caseload adjustments of approximately 5 % per year over the biennium in all Home Based services. Total funds of \$3.1 million and \$1.3 million general funds.

DP 22216 PLA FMAP change for I 149 Home Based Provider Increases - LFD B-199

DP 22219 FMAP I-149 Home Based Direct Care Wages LFD B-200 Adjustment for FMAP changes

Home and Community Based Waiver:

DP 22209 Annualize Waiver Expansion Costs LFD B-195 Annualize the expansion of the waiver program which occurred in 2007 and is not included in the base and adjust the funding from general fund to state special revenue. \$2.3 million over biennium with \$1.6 from tobacco tax revenue.

DP 22212 Medicaid Waiver FMAP Adjustment LFD- B- 196 Recognition of changes in the federal participation rate change (FMAP) for Medicaid funded programs.

DP 22217 FMAP Changes for I 149 Provider Rate Increase LFD B-199 \$25,000 in state special revenue.

DP 22220 FMAP Changes for I 149 Direct Care Wages for Medicaid Waiver LFD B-200

Nursing Facility Programs:

DP 22207 – Annualize Nursing Home Provider Tax HB 749 LFD B-194: A request for \$15,689,553 in total funds over the biennium includes \$5 million in state special revenue funds. This request provides for an adjustment for the increase in the nursing home provider tax to \$7.05 per bed day beginning July 1, 2005, and to \$8.30 per bed day beginning July 1, 2006. This is an increase of \$1.75 in FY 2006 and an increase of \$3.00 in FY 2007 over the FY 2005 rate of \$5.30 per day.

DP 22210– Medicaid Nursing Home FMAP Adjustment LFD B-196 A request for an increase of general fund over the biennium and a reduction in federal funds of \$5.9 million reflects the change in the federal participation match rate (FMAP). The request provides for the change in the state Medicaid matching funds for nursing home costs due to the reduction in the federal matching rate from 29.34% in FY06 to 31.29% in FY08 and 31.49% in FY09

DP 22213 – Nursing Home Caseload Adjustment LFD B-196 A request to reduce total funds of \$9 million over the biennium includes \$3.1 million in general funds due to the anticipated caseload change in occupancy levels at Montana's nursing facilities. The request reflects an anticipated caseload change for Medicaid nursing facility services of one-half a percent per year during the 2009 biennium as compared to the FY06 base. This proposal will continue to reflect a decline in census at a slightly less amount of one-half percent in each year of the 2009 biennium, and represents approximately 1 less individuals per year, or approximately 11,909 less bed days in FY08 over the FY06 base, and approximately 17,819 less bed days in FY09 over the FY06 base.

DP 22215 – FMAP change for I-149 Nursing Home Provider Tax: LFD B-199 A request for an adjustment in state special revenue over the biennium and a reduction on federal funds for \$228,933 reflects the FMAP rate change. This request results in no change in costs, rather it reflects the funding changes and increased costs between FY06 and FY07. The cost of the I-149 Provider rate increase for Nursing Home Providers increased from FY06 and FY07 due to the projected decrease in the federal participation match rate.

DP 22218 – Annualize Nursing Home Direct Care Wages: LFD B-199 A request to annualize the nursing home direct care wage initiative reflects a funding switch from general fund to state special revenue and FMAP rate change. This adjustment is for \$995,497 in state special revenue funds over the biennium and a reduction in Federal funds of \$204,382 and general funds of \$755,115. The Direct Care Wage Increase for Medicaid Nursing Home Providers increased from FY06 and FY07 and switched funding from the general fund to the state special revenue funds. This proposal reflects the change in funding type, and reflects the FMAP rate changes between FY06 and FY08 that resulted in a need for additional state funds to keep the total base the same in FY08 and FY09 as the FY06 base.

DP 22223 – Nursing Home IGT Adjustment: LFD B-200 A request for \$7.4 million over the biennium, with the state share coming from local county resources and none from the general fund to fund the anticipated increase in Nursing Home Intergovernmental Payments from the FY06 base and the 2009 biennium.

DP 22904 – Personal Needs Increase: LFD B-202 A request for \$256,509 in tobacco trust interest funds over the biennium is for increases in the personal needs allowance for nursing facility residents from \$40.00 per month to \$50.00 per month. The personal needs funds are used by residents to purchase personal items that are not covered under the nursing home facility reimbursement such as postage, cards, gifts, and beauty shop services for residents.

Veterans Programs:

DP 22107 EMVH Fire Alarm System -OTO LFD B-208 A request for one-time-only funding to upgrade the fire alarm system at EMVH which is estimated to cost \$15,000 in state special revenue.

DP 22101 EMVH Resident Bus Replacement-OTO LFD B-205 A request for one-time-only funding to replace the facility bus, which is used to transport residents', which is estimated to cost \$40,000 in state special revenue. The current 1990 bus is unreliable for use in transporting residents safely.

****DP 20910 EMVH VA Reimbursement:** LFD- None Added in list of technical budget adjustment letter.

Increase federal authority in FY 2008 by \$174,309 and FY 2009 by \$197,910 to recognize anticipated federal VA per diem reimbursement increase that is passed through to facility contractor.

****List of Technical Budget Adjustments: Technical Adjustment LFD B-204** Adjust the base budget for the Montana Veterans Home (RL-22-02-37). Revised the state special revenue funding to increase funding in Third Party Reimbursement in FY 2008 by \$1,695,729 and in FY 2009 by \$1,705,161 and decrease by the same amount the cigarette tax revenue needed in the base. (Letter of January 8, 2007 to Chairman Clark from Budget Director David Ewer)

DP 22205 Montana Veterans Home Expense Adjustment: LFD B-204 and 205 Request for \$1.8 million over the biennium from state special revenue funds to provide for adjustment in operating costs for overtime, holiday pay, differential pay, increases in food, utilities and other supplies.

DP 22103 MVH Facility Upgrades OTO: LFD B-205 - A request for one-time-only state special revenue funds for facility upgrades is estimated to cost \$330,000 over the biennium. These upgrades include replacing eighty (80) beds and remodeling resident bathrooms.

DP 22105 Special Care Unit Staff: LFD B-207 A request for 5.2 FTE in additional staff for the Special Care Unit (SCU) is estimated at \$140,000 in state special revenue each fiscal year. SCU.

DP 22106 Pharmacy Clerk: - LFD B- 208 A request for a .60 FTE position for a pharmacy clerk. This position would be responsible for Medicare reimbursement billing and activities related to the new Medicare Part D prescription program. Request for \$23,000 in state special revenue each fiscal year.

DP 22909 Contingency Funds: LFD B-205 A request for continuation of the current restricted contingency fund (authorized in both the 2003 and 2005 legislatures) appropriation in HB2 costs \$250,000 in each year of the biennium. These funds may be utilized only subject to a determination by the office of budget and program planning that federal and/or state special revenue appropriations are insufficient to operate the facility.

Adult Protective Services:

DP 22239 Adult Protective Services Field Staff: LFD B -214 Request for 1.5 FTE Adult Protective Services field social workers to provide direct services related to referrals and caseload increases using state special revenue from lien and estate recovery funds. \$148,000 over the biennium.

DP 22204: Adult Protective Services Database Maintenance LFD B-215 Request for \$105,464, over the biennium, for ongoing maintenance of the Adult Protective Services client data base, Operation Protect Montana (OPM), caseload/workload computer system.

SIGNIFICANT ISSUES EXPANDED

DP 22119-Waiver Expansion Currently, there are 516 people waiting for the HCBS Waiver program. The waiting list is expected to grow due to the aging population, the increase in demand for assisted living facilities and the desire of more individuals who are older or who have disabilities to receive care at home rather than in a nursing facility or hospital. The average length of stay on the waiting list was 274 days in fiscal year 2004; 293 days in fiscal year 2005; and 280 days in fiscal year 2006.

NP- 22109 - Elderly Meal Programs -LFD B-210 The 2005 Legislature provided \$567,000 of OTO general funds to the Aging programs for grants to local Area Agencies on Aging for Meals on Wheels, congregate feeding programs and other programs for the elderly in the community. \$257,000 of this dollar amount represents funding that was removed during the 2003 biennium from these programs and was temporarily restored during FY2004 with federal funds from Jobs and Growth Tax Relief Reconciliation Act and \$300,000 which represents new general fund added in the 2005 biennium. This appropriation was designated as one-time- only and as such, it is not included in the 2006 base budget. This proposal requests that this funding be restored and continued for aging grants with general fund dollars on a permanent basis in the 2009 biennium.

NP- 22110 - Continue Aging In-Home Caregiver Program - LFD B-211 The 2005 Legislature provided for this biennial, restricted, one-time-only general fund appropriation of \$600,000 to support in-home caregiver services. The legislature added language to HB2 that the appropriation be used to contract with local providers and not expended in the form of Medicaid matching funds. These funds were passed through to Area Agencies on Aging to provide in-home caregiving services to elderly citizens residing in their homes. The appropriation was designated as one-time-only and as such, it is not included in the 2006 base budget.

DP 22104 Recruitment and Retention Contingency: LFD B- 185/206 This request will assist the facility of maintaining a competitive wage for direct care staff in the Flathead Valley and assist in recruitment and retention of staff. Wages for direct care staff in Columbia Falls must compete with numerous other health care facilities in the Flathead Valley. As facility wages fall behind other facilities, recruitment and retention of qualified direct care staff becomes difficult to achieve and results in contracting with temporary employment agencies at a much higher cost to the facility in order to maintain mandated staffing levels. This request provides a contingency fund to maintain competitive wages, utilizing a Flathead Valley market survey for licensed staff and a methodology for wage increases to remain competitive with other employers. This contingency funding of \$183,000 from state special revenue would be for the purpose of maintaining competitive wages for direct care staff and would allow the facility to react to changing market conditions if the state wage scale lagged behind the current market rates being paid for direct care staffing.

Other Issues:

Nursing Home Caseload Adjustment: A request to reduce total funds of \$9 million over the biennium includes \$3.1 million in general funds due to the anticipated caseload change in occupancy levels at Montana's nursing facilities. The request reflects an anticipated caseload change for Medicaid nursing facility services of one-half a percent per year during the 2009 biennium as compared to the FY06 base. Occupancy levels have fallen 12% from 1997 to the present, yet, Medicaid percentage of days covered has held relatively constant at 61%. The decline seems to have stabilized or flattened out over the last few years. The 2005 legislature adopted a 1% annual caseload decline for nursing facilities for the 2007 biennium. This proposal will continue to reflect a decline in census at a slightly less amount of one-half percent in each year of the 2009 biennium, and represents approximately 17 less individuals per year, or approximately 11,909 less bed days in FY08 over the FY06 base, and approximately 17,819 less bed days in FY09 over the FY06 base.

Intergovernmental Fund Transfer (IGT)/General Fund Replacement: Montana has had an IGT program, which provides additional financial support to at-risk nursing facilities by utilizing local county revenues as match in the Medicaid program since 2001. The 2003 Legislature utilized IGT state special revenue funding to replace general fund dollars in the base budget of the nursing facility program of approximately \$640,000 in each year of the biennium and an additional \$1,000,000 in each year of the biennium in the home based (personal assistance) base budget. There is a definite possibility that there will be counties that will decide to not participate in the "at risk" program once the state defines what allowable arrangements between counties and their affiliated facilities are. To the extent some of these counties do not participate, the ability to have the funds necessary to fund the base budget in the home based and nursing facility programs on an ongoing basis comes into question. Not only is the "at risk" payment program at risk of being reduced, but also so is the funding of the base budget in these programs. *New rules have recently been published in January 18th Federal Register that will limit the amount of funds that can be paid to certain providers under these types of payment plans. The Department is analyzing the impact of these new restrictions on the program and does not yet have an assessment of the impact to Montana...

Nursing Facility Provider Tax: Montana has had a nursing facility provider tax in place since 1992. The tax was originally \$1.00 on third party payor days (excluding private payors) and increased to \$2.00 on third party payer days in 1993. Federal law changed and in order to continue to utilize this source of funding it needed to be broadly assessed on all payor days. Since 1994 the tax has been assessed on all payor days in nursing facilities at the rate of \$2.80 until 2004 when the tax was increased. The tax rate in 2004 was \$4.50 and in 2005 was \$5.30. The 2005 Legislative Session (HB 749) increased the Utilization Fee on Nursing Facility Bed days. HB-749 raises the bed tax on nursing homes to \$7.05 per bed day beginning July 1, 2005, and to \$8.30 per bed day beginning July 1, 2006. This is an increase of \$1.75 in FY 2006 and an increase of \$3.00 in FY 2007 over the FY 2005 rate of \$5.30 per day. Previously the 6 percent allowable rate for revenue that could be generated from provider taxes was established in regulation (paragraph (3)(i) of Section 433.68 of 42CFR). According to congressional staff, the Congress intended to ensure that CMS did not issue a regulation that would phase in a 3 percent cap on the provider tax rate, per the Administration's FY2007 budget proposal. Congress recently adopted legislation that includes a provision (Title IV, Section 403) to lower the allowable Medicaid provider tax rate from 6 percent to 5.5 percent. The 5.5 percent tax rate cap is effective as of January 1, 2008 through October 1, 2011. This is estimated to save the federal government over \$300 million in FY2007. The impact of reducing Montana Provider tax from 6% to 3% was estimated at over \$9 million in state special revenue.

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

Senior and Long Term Care Division Medicaid Benefits

DEPARTMENT DIVISION PROGRAM CONTACTS

Title	Name	Phone Number	E-mail address
Director	Joan Miles	444-5622	jmiles@mt.gov
Deputy Director	John Chappuis	444-4088	jchappuis@mt.gov
Administrator	Kelly Williams	444-4147	kewilliams@mt.gov
Fiscal Chief	Norm Rostocki	444-4143	nrostocki@mt.gov

WHAT THE PROGRAMS DO

The Senior and Long Term Care Division manages payments to Medicaid funded nursing facilities, Medicaid funded home and community long term care programs (such as personal care, home health and hospice), Medicaid home and community based waiver program and nursing facility services in the two state veterans nursing homes. The largest source of funding in the Division is the federal Medicaid program. The federal government pays approximately 69% of Medicaid expenditures, while the state provides the remaining 31% in matching funds.

Statutory Authority For Programs

State Authorization: MCA 53-6-1001. Federal Authorization: Section 1902 of the Social Security Act authorizes States to administer or supervise the administration of Medicaid programs in accordance with Federal requirements.

HOW SERVICES ARE PROVIDED

The Medicaid program provides payments to medical providers for services delivered to eligible Medicaid recipients in several service settings.

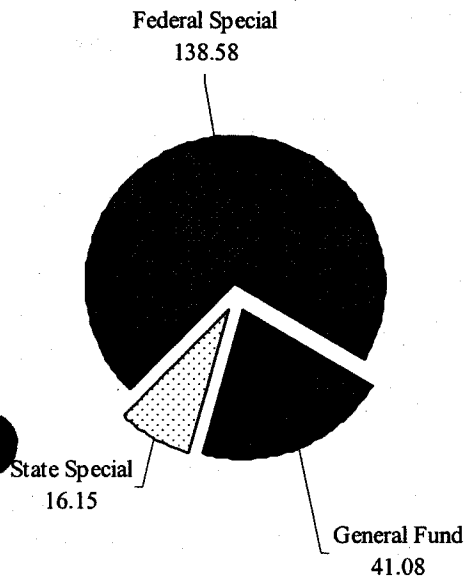
- 1) Medicaid Community Services Program pays for in-home, assisted living and other community-based services to Medicaid-eligible individuals as an alternative to nursing home care.
- 2) Medicaid Nursing Facility Program pays for care to Medicaid-eligible individuals in 90 Montana nursing homes.
- 3) Skilled nursing facility care is provided to veterans at the 105-bed Montana Veterans Home (MVH) in Columbia Falls and the 80-bed Eastern Montana Veterans Home in Glendive.

Entitlement programs are programs where people who meet a set of eligibility criteria automatically get the services when they apply. Most but not all, Medicaid programs are entitlements. Nursing facilities, hospice, personal assistance are examples of entitlements. Discretionary programs differ from entitlements in that eligible people are not automatically served when they apply. Access is limited by the amount of funding available; for example, the home and community services waiver program. Discretionary programs generally have waiting lists when the demand for services exceeds the supply.

Spending and Funding Information

The following figures show funding and expenditure information for FY 2006 for all sources of Medicaid funding for the Senior and Long Term Care Division. Because the figures include all sources of funding there are no direct relationships between these figures and appropriation levels presented in the Budget Analysis for the 2007 Biennium.

FY 2006 Funding



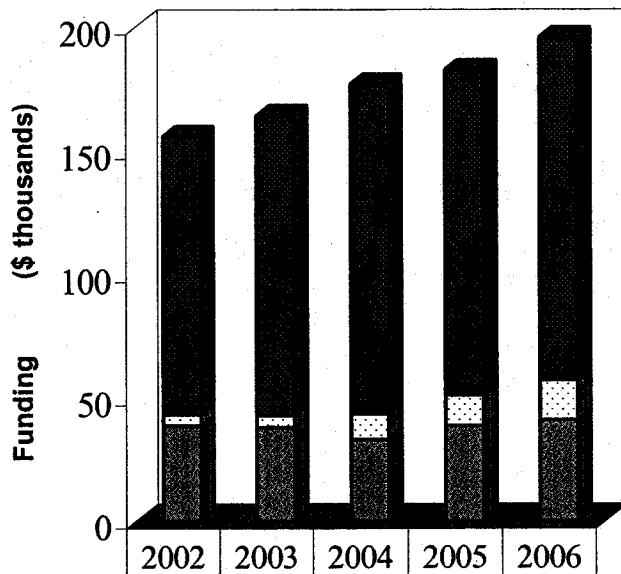
FY 2006 First Level Expenditures

A pie chart showing FY 2006 first-level expenditures. The chart consists of a single solid black circle, indicating that all expenditures are for benefits. A label points to the circle with the text "Benefits, \$195,818,868".

Expenditure Category	Amount
Benefits	\$195,818,868

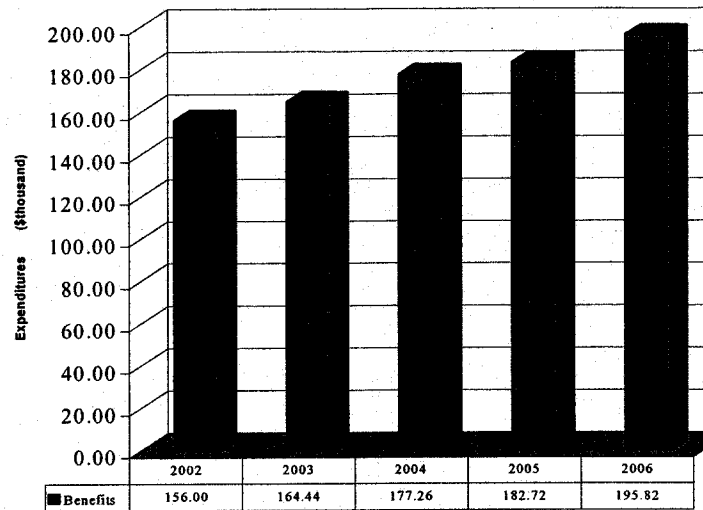
The following figures show funding and expenditures from FY 2002 through FY 2006, for HB 2 funding.

Historical Funding



■ Federal Special	112.70	121.60	133.82	131.60	138.58
▨ State Special	4.53	4.71	10.14	12.39	16.15
■ General Fund	38.76	38.12	33.30	38.74	41.08

Historical Expenditures



■ Benefits	156.00	164.44	177.26	182.72	195.82
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The change in revenues and expenditures between fiscal 2002 through 2006 represent increases in the Medicaid funded services in the Division related to caseload, federal medical assistance FMAP matching rate changes, provider rate increases and expansion of the home and community based waiver. Increases in state special revenues are related to increases in nursing facility provider tax, intergovernmental fund transfers, cigarette tax funding and use of I-149 funding in 2005 and 2006 to fund direct care wages and provider rate increases.

2007 BIENNIUM NEW PROGRAM IMPLEMENTATION AND PROGRAM EXPANSION

Program Expansion

The Division implemented or expanded several programs with (general, state or federal) funding in the 2007 biennium. Some of the areas are highlighted below and others are addressed in more detail in the program templates related to those Division programs.

The 2005 legislature allocated skilled nursing facilities and community based provider direct care worker wage increases of \$13.7 of general fund, tobacco state special revenue and federal funds over the biennium to increase direct care worker wages by a \$1.00 (75 cents and hour in salary and 25 cents and hour in benefits). Report on the implementation of these direct care wage increases was provided to the Legislative Finance Committee in the interim.

The 2005 legislature approved a 3% provider rate increase in nursing facility and community services programs funded with I-149 state special revenue and federal Medicaid matching funds in the first year of the biennium.

The 2005 legislature funded an expansion of the home and community based services waiver by approximately 112 people using general funds, state special revenue from I -149 funds and federal Medicaid funds.

Nursing Facility Provider Tax provided increased funding for the nursing home program. The provider tax increased between FY 06 and FY 07 from \$7.05 to \$8.30 per day providing state special revenue funds for increases in nursing facility payments.

Prevention and Stabilization Funding. During the 2003 legislative session, elimination of the Hospice program and Home Health Therapies was proposed in order to stay within established funding limits for the Department. Funding was secured during the Legislature through SB 485 to continue to fund Hospice/Home Health Therapies by utilizing tobacco settlement funds through the Prevention and Stabilization account. This source of state special revenue funding was a one-time source of funding and the Division asked the 2005 Legislature to continue to provide funding for Home Health and Hospice services during the 2006/2007 biennium. The I-149 initiative, which increased the tax on tobacco products effective 1/1/2005, was used by the SLTCD as the source of revenue to continue to fund these services in the 2006/2007 biennium

FTE

No additional FTE were approved in the 2007 Biennium for this Division.

2007 Biennium FTE Hire Dates		
	FTE	Date

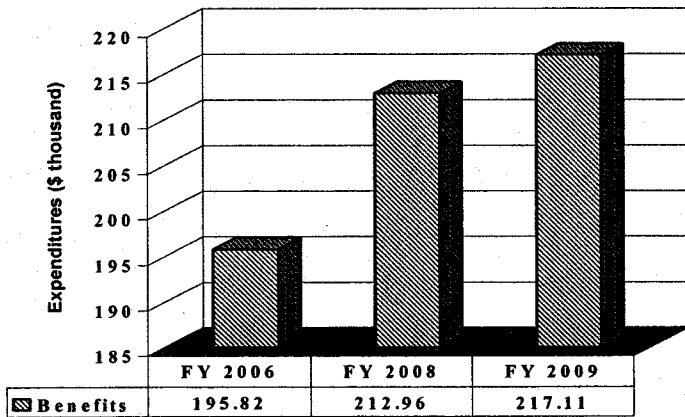
CORRECTIVE ACTION PLANS

The Division had no legislative or federal audit recommendations and associated corrective action plans in place during the 2007 biennium

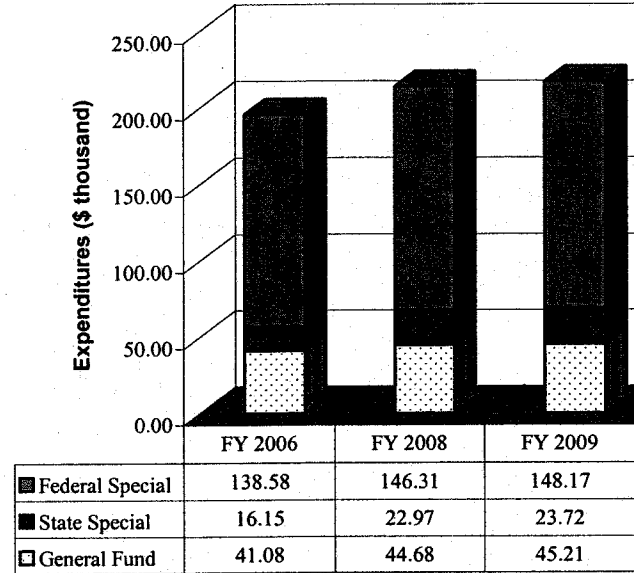
2009 BIENNIUM BUDGET

The following figures show the proposed HB 2 budget for the 2009 biennium.

DPHHS
2009 Biennium HB2 Budget



DPHHS
2009 Biennium HB2 Budget



Goals and Measurable Objectives

The following figure shows the department base year and budgeted biennium goals and performance measures that are associated with the proposed 2009 biennium HB 2 budget.

Department of Public Health and Human Services Senior and Long Term Care Division Medicaid Programs		
Measurable Objectives for the 2009 Biennium		
Goal	Measurable Objectives	Current status of Measures
Operate an efficient and cost effective long-term care system.	Maintain the total long-term care expenditures of the SLTCD within the budget established by the legislature for each year of the 2008/2009 biennium. 2. Pursue additional federal funding opportunities to enhance or expand services without the need for additional state dollars	Goal Achieved-2006/2007 biennium Division currently operates 4 grants which provide federal funding for service development
Increase the number of Montanans who meet some or all of their own, or someone else's long-term care needs	Increase the number of people with long term care insurance as measured by the number of people claiming a tax deduction for long term care insurance on their state income tax returns. Increase the number of people taking the tax credit for caring for an elderly dependent.	Monitor utilization of tax deduction and credit for impacts on Medicaid program as a whole. Tax Deductions 10,500 Tax Credits 50

	Increase the funds recovered under the Medicaid lien and estate recovery program.	(2005 DOR income tax returns) Monitor collections and impact on programs that use these revenues as a source of funding.
Ensure high quality of publicly funded long-term care services to Montanans.	<ol style="list-style-type: none"> 1. Pursue provider rate increases and direct care wage and health insurance initiatives for providers that serve a high proportion of Medicaid consumers to maintain access to services. 2. Pursue avenues to maintain the current level of funding that is derived from provider taxes to enhance and stabilize Medicaid nursing facility price based reimbursement system. 3. Continue to assist financially strapped rural county affiliated nursing homes by increasing their Medicaid reimbursement rates through the use of intergovernmental transfers of matching funds to the SLTCD. 	<p>DP 22501 2.5% provider rate increase proposal</p> <p>Provider tax limit 5.5%</p> <p>IGT Rule changes pending</p>
Support Montanans in their desire to stay in their own homes or live in smaller community based residential settings for as long as possible.	<ol style="list-style-type: none"> 1. Increase the total amount of the Senior and Long Term Care Division budget that goes to home and community services. 2. Increase the percentage of Montanans age 65 or older who live at home or in small residential alternatives. 	94.5%

Program specific goals and objectives are displayed in those program templates.

BUDGET AND POLICY ISSUES

The following budget or policy issues are included in the department budget submission to the Governor's Office.

Present Law:

The most significant present law adjustments for the division are related to the adjustments for recognition of changes in the federal participation rate change (FMAP) for Medicaid funded programs, caseload adjustments for Medicaid programs and the annualization of activity from 2006 to 2007 such as waiver slot expansion and nursing facility provider tax increase. **These items have been addressed in the templates for these specific program areas.**

Other Issues

- **Program Growth in Hospice:** The Hospice program has experienced dramatic growth over the last few years. In FY 2002 the program's expenditures were \$535,138 and in FY2006 they were \$1,590,496. The tripling of this program can be attributed to the on-going national public education campaign, as well as acceptance by the medical community and families of comfort and palliative care. In response to the growth in the Hospice program, the Division has performed retrospective reviews of Medicaid Hospice providers to ascertain if there are any issues that need to be addressed further related to the use of this program. The Division found that the services reviewed were appropriately delivered and billed.
- **Program Growth in Personal Assistance.** Because personal assistance is such a critical component of the array of services that enable people to live at home, the demand for personal assistance services has increased rapidly over the past decade, at times threatening to exceed the appropriation from the

legislature. In FY2001, Senior and Long Term Care Division instituted the 3rd party prior authorization system through which a contractor, Mountain Pacific Quality Health, verifies each consumer's eligibility for personal assistance and establishes the number of hours of service each consumer is authorized to receive on a weekly basis. The contract has significantly reduced the program's rate of growth, ensuring that no additional reductions in the program are necessary at this time. Given the value of personal assistance services, long-term demand is likely to continue to increase as the population of Montana continues to age. The presence of the prior authorization contract ensures that any such growth will be consistent with the rules of the program. During the budget crisis of FY 2003, the program reduced services to consumers. The services reduced consisted of bathing and household tasks, which brought the program expenditures back to FY2001 levels.

Intergovernmental Fund Transfer (IGT)/General Fund Replacement: Montana has had an IGT program, which provides additional financial support to at-risk nursing facilities by utilizing local county revenues as match in the Medicaid program since 2001. The 2003 Legislature utilized IGT state special revenue funding to replace general fund dollars in the base budget of the nursing facility program of approximately \$640,000 in each year of the biennium and an additional \$1,000,000 in each year of the biennium in the home based (personal assistance) base budget. There is a distinct possibility that there will be counties that will not participate in the "at risk" program once the state defines what allowable arrangements between counties and their affiliated facilities are. To the extent some of these counties do not participate, the ability to have the funds necessary to fund the base budget in the home based and nursing facility programs on an ongoing basis comes into question. Not only is the "at risk" payment program at risk of being reduced, but also so is the funding of the base budget in these programs.

Nursing Facility Provider Tax: Montana has had a nursing facility provider tax in place since 1992. The tax was originally \$1.00 on third party payor days (excluding private payors) and increased to \$2.00 on third party payer days in 1993. Federal law changed and in order to continue to utilize this source of funding it needed to be broadly assessed on all payor days. Since 1994 the tax has been assessed on all payor days in nursing facilities at the rate of \$2.80 until 2004 when the tax was increased. The tax rate in 2004 was \$4.50 and in 2005 was \$5.30. The 2005 Legislative Session (HB 749) increased the Utilization Fee on Nursing Facility Bed days. HB-749 raises the bed tax on nursing homes to \$7.05 per bed day beginning July 1, 2005, and to \$8.30 per bed day beginning July 1, 2006. This is an increase of \$1.75 in FY 2006 and an increase of \$3.00 in FY 2007 over the FY 2005 rate of \$5.30 per day.

Previously the 6 percent allowable rate for revenue that could be generated from provider taxes was established in regulation (paragraph (3)(i) of Section 433.68 of 42CFR). According to congressional staff, the Congress intended to ensure that CMS did not issue a regulation that would phase in a 3 percent cap on the provider tax rate, per the Administration's FY2007 budget proposal.

Congress recently adopted legislation that includes a provision (Title IV, Section 403) to lower the allowable Medicaid provider tax rate from 6 percent to 5.5 percent. The 5.5 percent tax rate cap is effective as of January 1, 2008 through October 1, 2011. This is estimated to save the federal government over \$300 million in FY2007. The impact of reducing Montana Provider tax from 6% to 3% was estimated at over \$9 million in state special revenue.

Nursing Home Caseload Adjustment: A request to reduce total funds of \$9 million over the biennium includes \$3.1 million in general funds due to the anticipated caseload change in occupancy levels at Montana's nursing facilities. The request reflects an anticipated caseload change for Medicaid nursing facility services of one-half percent per year during the 2009 biennium as compared to the FY06 base. Occupancy levels have fallen 12%

from 1997 to the present, yet, Medicaid percentage of days covered has held relatively constant at 61%. The decline seems to have stabilized or flattened out over the last few years. The 2005 legislature adopted a 1% annual caseload decline for nursing facilities for the 2007 biennium. This proposal will continue to reflect a decline in census at a slightly less amount of one-half percent in each year of the 2009 biennium, and represents approximately 17 less individuals per year, or approximately 11,909 less bed days in FY08 over the FY06 base, and approximately 17,819 less bed days in FY09 over the FY06 base.

Waiting List: Currently, there are 516 people waiting for the HCBS Waiver program. The waiting list is expected to grow due to the aging population, the increase in demand for assisted living facilities and the desire of more individuals who are older or who have disabilities to receive care at home rather than in a nursing facility or hospital. The average length of stay on the waiting list was 274 days in fiscal year 2004; 293 days in fiscal year 2005; and 280 days in fiscal year 2006.

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

Senior and Long Term Care Division Nursing Home Medicaid Benefits

PROGRAM CONTACTS

Title	Name	Phone Number	E-mail address
Director	Joan Miles	444-5622	jmiles@mt.gov
Deputy Director	John Chappuis	444-4088	jchappuis@mt.gov
SLTC Administrator	Kelly Williams	444-4147	kewilliams@mt.gov
Centralized Services, Bureau Chief	Norm Rostocki	444-4143	nrostocki@mt.gov
Nursing Facility Services, Bureau Chief	Richard Norine	444-4209	rmorine@mt.gov

WHAT THE PROGRAM DOES

The Medicaid Nursing Facility Services Program pays for short-term and long-term nursing care for individuals who are eligible for Medicaid and meet level of care criteria. There are ninety (90) licensed nursing facilities in the state that participate in the Medicaid program (excluding state run facilities) with a total of about seven thousand (7000) beds. At any one time about seventy-four (74%) percent of nursing facility beds in the state are occupied. Medicaid pays for about sixty-one percent (61%) of all nursing facility services, private payers twenty-nine percent (29%) and Medicare/Other the remaining ten percent (10%). In FY 2006 about 1.21 million Medicaid funded days of nursing home care were provided to 5043 people, at a general fund cost of approximately \$28.853 million dollars.

Statutory Authority For Program

Title 53, Chapter 6, MCA: Title 19, Social Security Act 42 USC 1396 et.seq. (Establishes and authorizes Medicaid Program).

HOW SERVICES ARE PROVIDED

Nursing Home Medicaid Benefits are the largest portion of the long-term care budget, with total FY 2006 expenditures of almost \$ 139.2 million dollars, and \$145.7 million dollars when Intergovernmental Fund Transfer (IGT) s are included.

Nursing facilities are reimbursed using a case mix price-based system where rates are determined annually, effective July 1. Each nursing facility receives a facility specific rate. Each nursing facility's payment is comprised of two components, the operating component including capital and the direct resident care component. Each nursing facility receives the same operating per diem rate, which is 80% of the statewide price. The remaining 20% of the statewide price represents the direct resident care component of the rate and is acuity adjusted. Each facility's direct resident care component rate is specific to the facility based upon the acuity of the Medicaid residents served in the facility.

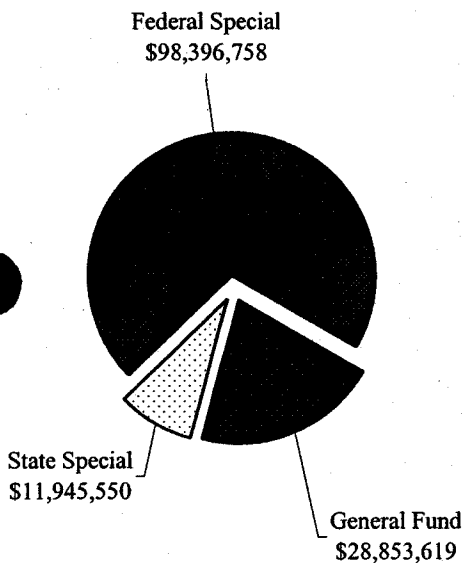
Montana has had a nursing facility provider tax in place since 1992. The tax was originally \$1.00 on third party payer days (excluding private payers) and increased to \$2.00 on third party payer days in 1993. Federal law changed and in order to continue to utilize this source of funding it needed to be broadly assessed on all payer days. Since 1994 the tax has been assessed on all payer days in nursing facilities at the rate of \$2.80 until 2004 when the tax was increased. Tax rate in 2004 was \$4.50 and in 2005 was \$5.30. The 2005 Legislative Session (HB 749) increased the Utilization Fee on Nursing Facility Bed days to provide additional funding for the nursing facility program.

Montana has had an IGT program, which provides additional financial support to at-risk facilities by utilizing local county revenues as match in the Medicaid program. These payments are in the form of one-time lump sum payments to non-state governmental owned or operated facilities for Medicaid services and are for the purpose of maintaining access to "at risk" county affiliated facilities who are predominantly rural and are the only nursing facility in their community or county or who provide a significant share of nursing facility services in their county. In addition to the payments to "at risk" county affiliated facilities Montana has a provision to provide smaller lump sum payments to other "at risk" nursing facilities that are not affiliated with counties.

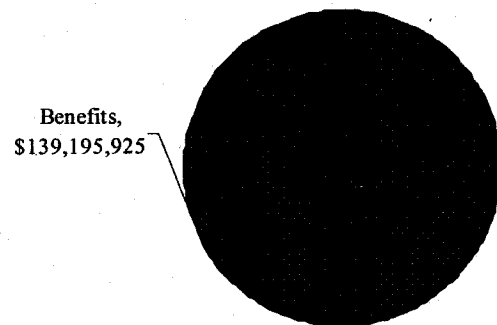
Spending and Funding Information

The following figures show funding and expenditure information for FY 2006 for all sources of funding of the Nursing Facility Medicaid Benefits Program. Because the figures include all sources of funding there are no direct relationships between these figures and appropriation levels presented in the Budget Analysis for the 2007 Biennium.

FY 2006 Funding



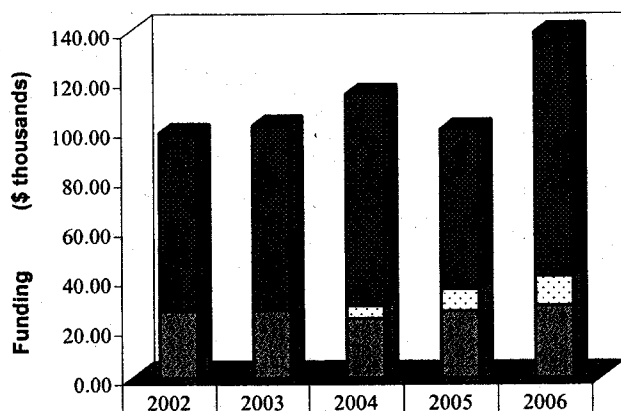
FY 2006 First Level Expenditures



The Nursing Facility Medicaid Benefits Program did not have any administrative appropriations in fiscal year 2006.

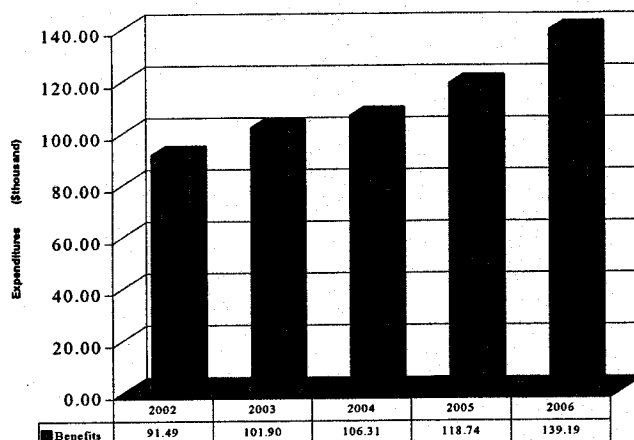
The following figures show funding and expenditures from FY 2001 through FY 2006, for HB 2 funding.

Historical Funding



	2002	2003	2004	2005	2006
Federal Special	71.25	74.08	85.67	64.70	98.39
State Special	0.83	0.90	4.97	8.85	11.95
General Fund	26.60	26.90	23.90	26.78	28.85

Historical Expenditures



	2002	2003	2004	2005	2006
Benefits	91.49	101.90	106.31	118.74	139.19

The change in revenues and expenditures between fiscal 2002 and 2006 resulted from increases in provider tax revenues, increases in provider reimbursement rates, a direct care wage add-on, and an increase in IGT dollars.

2007 BIENNIUM NEW PROGRAM IMPLEMENTATION AND PROGRAM EXPANSION

Program Expansion

HB-749 raised the bed tax on nursing homes to \$7.05 per bed day beginning July 1, 2005, and to \$8.30 per bed day beginning July 1, 2006. This is an increase of \$1.75 in FY 2006 and an increase of \$3.00 in FY 2007 over the FY 2005 rate of \$5.30 per day. The increased revenue generated by this fee increase will be deposited in the nursing facility utilization fee account in the state special revenue account per Section 1 (2) (b).

The 2005 legislature allocated skilled nursing facilities and community based providers direct care worker wage increases of \$13.7 of general fund, tobacco state special revenue and federal funds over the biennium to increase direct care worker wages by a \$1.00 (75 cents and hour in salary and 25 cents and hour in benefits). Report on the implementation of these direct care wage increases was provided to the Legislative Finance Committee in the interim.

The 2005 legislature approved a 3% provider rate increase in nursing facility and community services program funded with I-149 state special revenue and federal Medicaid matching funds.

FTE

No new FTE were approved for the Nursing Facility Medicaid Benefits Program during the 2007 Biennium.

2007 Biennium FTE Hire Dates	FTE	Date

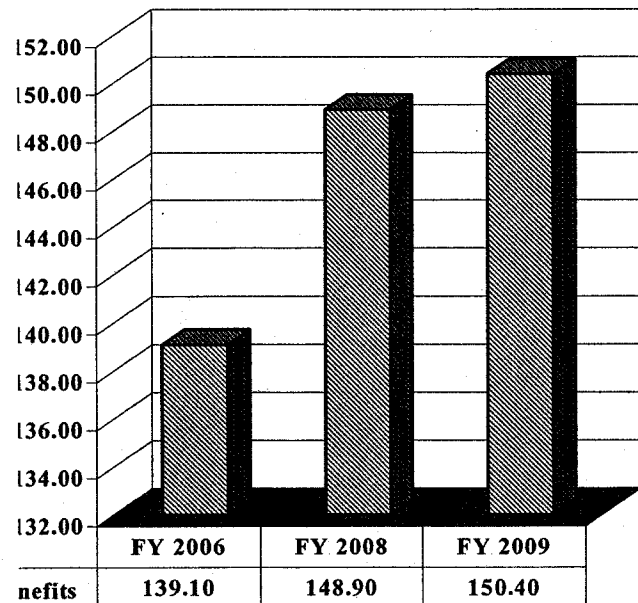
CORRECTIVE ACTION PLANS

The Nursing Facility Medicaid Benefits Program did not have any audit recommendations or corrective action plans in place during the 2005 biennium.

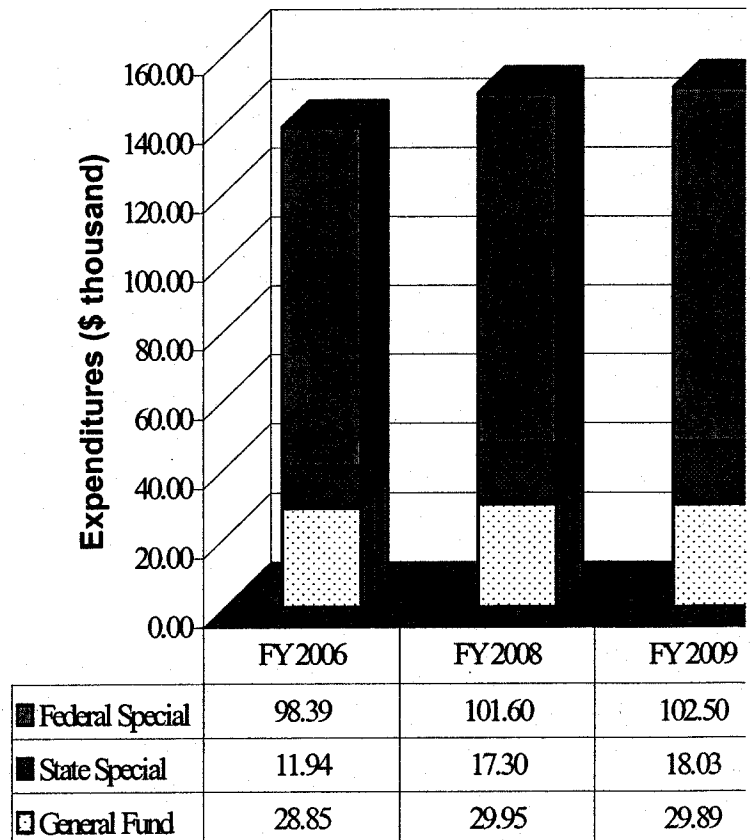
2009 BIENNIUM BUDGET

The following figures show the proposed HB 2 budget for the 2009 biennium.

DPHHS
2009 Biennium HB2 Budget



DPHHS
2009 Biennium HB2 Budget



Goals and Measurable Objectives

The following figure shows the department base year and budgeted biennium goals and performance measures that are associated with the proposed 2009 biennium HB 2 budget.

Department of Public Health and Human Services Nursing Facility Services Program		
Measurable Objectives for the 2009 Biennium		
Goal	Measurable Objectives	Current status of Measures
Operate an efficient and cost effective long-term care system.	Maintain the total long-term care expenditures of the SLTCD within the budget established by the legislature for each year of the 2008/2009 biennium.	Program maintained within appropriation levels in 2006/2007 biennium Monitor caseload and occupancy levels monthly current statewide occupancy is 74% Medicaid is 61%
Ensure high quality publicly funded long term care services to Montanans.	<ol style="list-style-type: none"> 1. Pursue avenues to maintain the current level of funding that is derived from provider taxes to enhance and stabilize Medicaid nursing facility price based reimbursement system; 2. Continue to assist financially strapped rural county affiliated nursing homes by increasing their Medicaid reimbursement rates through the use of intergovernmental transfers of matching funds to the SLTCD. 3. Maintain or increase the current percentage of reasonable costs per day reimbursed by the Medicaid nursing home program. 4. Pursue provider rate increases and direct care wage and health insurance initiatives for providers that serve a high proportion of Medicaid consumers to maintain access to services 	<p>Continue to utilize nursing facility provider taxes and county funding mechanisms through IGT's to fund programs within federal guidelines.</p> <p>99.87% cost per day covered using net funding. 102% using total gross rate to cost analysis</p> <p>DP 22501 Provider rate increase 2.5%</p>
Increase the number of Montanans who meet some or all of their own, or someone else's long-term care needs	<p>Increase the average amount of daily patient contributions paid towards Medicaid nursing home care.</p> <p>Increase the percentage of people privately paying for nursing home care each state fiscal year.</p>	<p>\$24.50 is fy 2006 current patient contribution</p> <p>30% private pay currently</p>

BUDGET AND POLICY ISSUES

The most significant present law adjustments for the division are related to the adjustments for recognition of changes in the federal participation rate change (FMAP) for Medicaid funded programs, caseload adjustments for Medicaid programs and the animalization of activity from 2006 to 2007. The federal matching rate changed from 29.34% in FY06 to 31.39% in FY08 and 31.49% in FY09, and will result in a need for more state funds to keep the total base the same in FY08 and FY09 as it is in the FY06 base.

January 23, 2007

DP 22207 – ANNUALIZE NURSING HOME PROVIDER TAX HB 749 LFD B-194: A request for \$15,689,553 total funds over the biennium includes \$5 million in state special revenue funds. This request provides for an adjustment for the increase in the nursing home provider tax to \$7.05 per bed day beginning July 1, 2005, and to \$8.30 per bed day beginning July 1, 2006. This is an increase of \$1.75 in FY 2006 and an increase of \$3.00 in FY 2007 over the FY 2005 rate of \$5.30 per day.

DP 22210– MEDICAID NURSING HOME FMAP ADJUSTMENT LFD B-196 A request for an increase of general fund over the biennium and a reduction in federal funds of \$5.9 million reflects the change in the federal participation match rate (FMAP). The request provides for the change in the state Medicaid matching funds for nursing home costs due to the reduction in the federal matching rate from 29.34% in FY06 to 31.29% in FY08 and 31.49% in FY09

DP 22213 – NURSING HOME CASELOAD ADJUSTMENT: LFD B-196 A request to reduce total funds of \$9 million over the biennium includes \$3.1 million in general funds due to the anticipated caseload change in occupancy levels at Montana's nursing facilities. The request reflects an anticipated caseload change for Medicaid nursing facility services of one-half a percent per year during the 2009 biennium as compared to the FY06 base. This proposal will continue to reflect a decline in census at a slightly less amount of one-half percent in each year of the 2009 biennium, and represents approximately 17 less individuals per year, or approximately 11,909 less bed days in FY08 over the FY06 base, and approximately 17,819 less bed days in FY09 over the FY06 base.

DP 22215 – FMAP CHANGE FOR I-149 NH PROVIDER TAX: LFD B-199 A request for an adjustment in state special revenue over the biennium and a reduction on federal funds for \$228,933 reflects the FMAP rate change. This request results in no change in costs, rather it reflects the funding changes and increased costs between FY06 and FY07. The cost of the I-149 Provider rate increase for Nursing Home Providers increased from FY06 and FY07 due to the projected decrease in the federal participation match rate.

DP 22218 – ANNUALIZE NURSING HOME DIRECT CARE WAGES: LFD B-199 A request to annualize the nursing home direct care wage initiative reflects a funding switch from general fund to state special revenue and FMAP rate change. This adjustment is for \$995,497 in state special revenue funds over the biennium and a reduction in Federal funds of \$204,382 and general funds of \$755,115. The Direct Care Wage Increase for Medicaid Nursing Home Providers increased from FY06 and FY07 and switched funding from the general fund to the state special revenue funds. This proposal reflects the change in funding type, and reflects the FMAP rate changes between FY06 and FY08 that resulted in a need for additional state funds to keep the total base the same in FY08 and FY09 as the FY06 base.

DP 22223 – NURSING HOME IGT ADJUSTMENT: LFD B-200 A request for \$7.4 million over the biennium, with the state share coming from local county resources and none from the general fund to fund the anticipated increase in Nursing Home Intergovernmental Payments from the FY06 base and the 2009 biennium.

DP 22501- PROVIDER RATE INCREASES: LFD B-201
Request for increases for provider rates by 2.5% for the biennium all program. Total funds requested are \$10,372,211 with \$358,026 general funds and \$3,148,464 I-149 Tobacco Initiative funds.

DP 22904 – PERSONAL NEEDS INCREASE: LFD B-202 A request for \$256,509 in tobacco trust interest funds over the biennium is for increases in the personal needs allowance for nursing facility residents from \$40.00 per month to \$50.00 per month. The personal needs funds are used by residents to purchase personal items that are not covered under the nursing home facility reimbursement such as postage, cards, gifts, and beauty shop services for residents.

SIGNIFICANT ISSUES EXPANDED

Intergovernmental Fund Transfer Program at Risk

January 23, 2007

Montana has had an Intergovernmental fund transfer (IGT) program, which provides additional financial support to at-risk nursing facilities by utilizing local county revenues as match in the Medicaid program since 2001. These payments are in the form of one-time lump sum payments to non-state governmental owned or operated facilities for Medicaid services and are for the purpose of maintaining access to "at risk" county affiliated facilities who are predominantly rural and are the only nursing facility in their community or county or who provide a significant share of nursing facility services in their county. In addition to the payments to "at risk" county affiliated facilities Montana has a provision to provide smaller lump sum payments to other "at risk" nursing facilities that are not affiliated with counties.

The 2003 Legislature utilized IGT state special revenue funding to replace general fund dollars in the base budget of the nursing facility program of approximately \$640,000 in each year of the biennium and an additional \$1,000,000 in each year of the biennium in the home based (personal assistance) base budget. In FY05, there were several counties that had decided not to participate in the "at risk" program, or not to participate at the same level they have historically, once the state defined what were allowable arrangements between counties and their affiliated facilities. To the extent some of these counties do not participate, the ability to have the funds necessary to fund the base budget in the home based and nursing facility programs on an ongoing basis comes into question. Not only is the "at risk" payment program at risk of being reduced, but also so is the funding of the base budget in these programs.

Centers for Medicaid and Medicare, (CMS) have raised some concerns with Montana's "at risk" payment plan. In 2003, this payment plan came under scrutiny by CMS and resulted in Montana's State Plan Amendment - SPA approval being delayed seven (7) months. In turn, this resulted in a Sunset provision being established for the "at risk" payment plan so that Montana could have the funding plan amendment approved by CMS so that we did not jeopardize federal funding of this program. Montana successfully removed a "sunset provision" related to the "at risk" payment program that was to be effective July 1 2005. A recent CMS audit of several facilities that participate in this "at risk" program noted no problems.

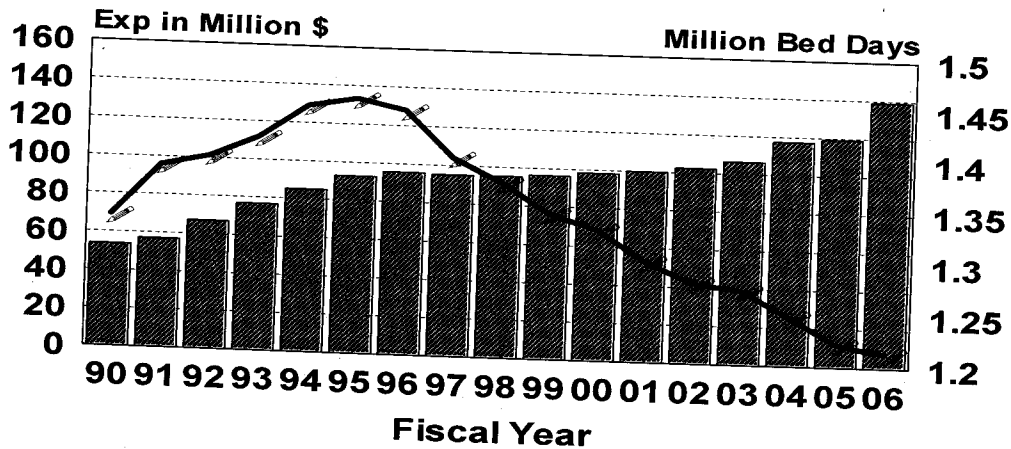
Nursing Facility Provider Tax:

Montana has had a nursing facility provider tax in place since 1992. The tax was originally \$1.00 on third party payer days (excluding private payers) and increased to \$2.00 on third party payer days in 1993. Federal law changed and in order to continue to utilize this source of funding it needed to be broadly assessed on all payer days. Since 1994 the tax has been assessed on all payer days in nursing facilities at the rate of \$2.80 until 2004 when the tax was increased. Tax rate in 2004 was \$4.50 and in 2005 was \$5.30. The 2005 Legislative Session (HB 749) increased the Utilization Fee on Nursing Facility Bed days. HB-749 raises the bed tax on nursing homes to \$7.05 per bed day beginning July 1, 2005, and to \$8.30 per bed day beginning July 1, 2006. This is an increase of \$1.75 in FY 2006 and an increase of \$3.00 in FY 2007 over the FY 2005 rate of \$5.30 per day.

Previously the 6 percent allowable rate for revenue that could be generated from provider taxes was established in regulation (paragraph (3)(i) of Section 433.68 of 42CFR). According to congressional staff, the Congress intended to ensure that CMS did not issue a regulation that would phase in a 3 percent cap on the provider tax rate, per the Administration's FY2007 budget proposal. Congress recently adopted legislation that includes a provision (Title IV, Section 403) to lower the allowable Medicaid provider tax rate from 6 percent to 5.5 percent. The 5.5 percent tax rate cap is effective as of January 1, 2008 through October 1, 2011. This is estimated to save the federal government over \$300 million in FY2007. Montana had nearly maxed out having taxed up to almost the 6% cap. The impact of reducing Montana Provider tax from 6% to 3% was estimated at over \$9 million in state special revenue.

Department of Public Health and Human Services
Senior and Long Term Care Division
January 23, 2007

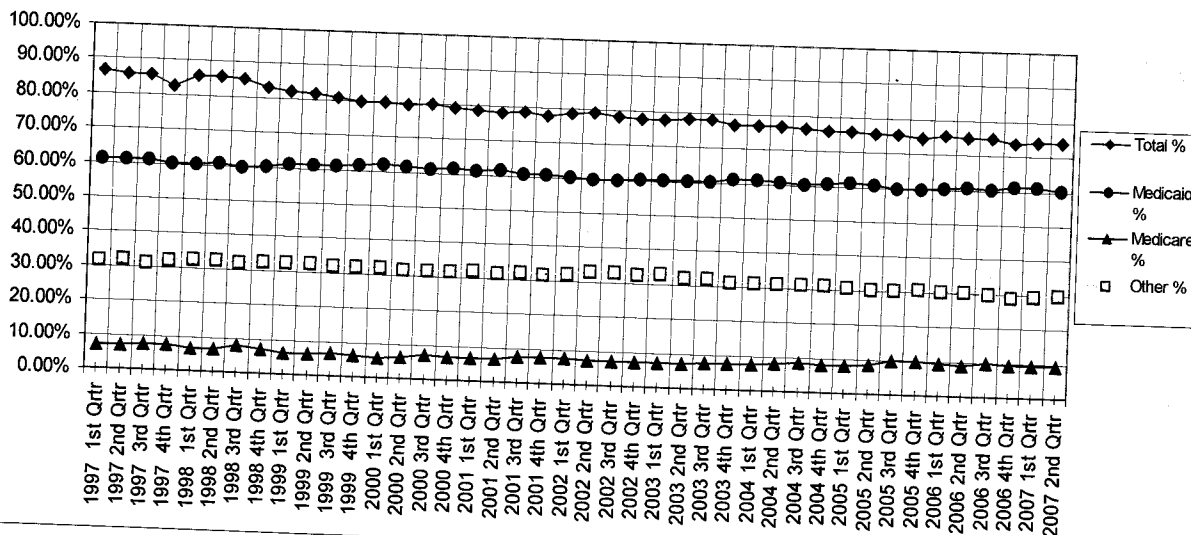
Nursing Home Expenditures and Bed Days
FY 1990 - 2006



Costs shown are in millions of dollars and do NOT include IGT payments.
Source: Paid Claims Data. FY 06 as of 11/06.

06nh_exp_svs

Nursing Home Occupancy by Payment Source



January 23, 2007

Declining Occupancy:

Occupancy levels in Montana's nursing homes have continued to fall from 87% occupancy level in 1997 to the current statewide occupancy level of 74%. While overall occupancy has fallen the Medicaid percentage of days covered has remained relatively consistent at about 61%. Current occupancy levels seem to have stabilized or flattened out in recent years and are not declining at the rate previously experienced. It is uncertain how long this downward trend will continue with the aging demographic changes that Montana will be experiencing. Currently 13.4% of Montanans are age 65 and older and the age 85 and older is the fastest growing age group with those 85 years of age or older increasing from 1.9% in 2003 to a projected 3.1% by 2025, the 4th highest in the nation. Even with the increased demand for community based service alternatives there is a proportion of the population that will continue to need the more medically intense level of medical services that can only be provided in the nursing home setting.

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

Senior and Long Term Care Division Home and Community Based Waiver

PROGRAM CONTACTS

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Deputy Director	John Chappuis	444-4088	jchappuis@mt.gov
Administrator	Kelly Williams	444-4147	kewilliams@mt.gov
Bureau Chief	James Driggers	444-4544	jdriggers@mt.gov
Fiscal Chief	Norm Rostocki	444-4143	nrostocki@mt.gov

WHAT THE PROGRAM DOES

Some individuals in need of long-term care services choose to remain in their own homes or select other community options to meet their needs. The Home and Community Based Services (HCBS) program, often referred to as the Medicaid Waiver, offers Medicaid recipients a number community based support services. To be eligible for the HCBS program an individual must be elderly or disabled, Medicaid eligible, and require nursing facility or hospital level of care. The majority of the recipients served under this program require nursing facility level of care. A small percentage of individuals served at home are ventilator dependent who without the HCBS program would be in a hospital setting. In addition, the program serves a small number of individuals with a traumatic brain injury who would have been served in out-of-state rehabilitation facilities, inpatient rehabilitation, or remain inappropriately placed in nursing homes, group homes, or other institutions were it not for the specialized services available under the HCBS program.

Statutory Authority for Program

Federal authorization: Title 1915 (c) of the Social Security Act 42 USC 1396 et.seq.(establishes and authorizes the Medicaid program). State authorization: MCA, Part 4 of Title 53, Chapter 6.

HOW SERVICES ARE PROVIDED

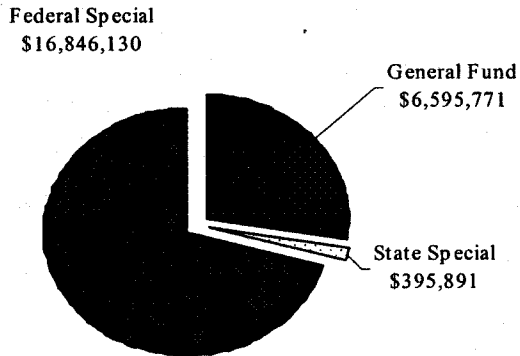
Home and Community Based Services are individually prescribed and arranged according to the needs of the recipient. An individual service plan is developed by a case management team in conjunction with the recipient. The service plan must meet the needs of the recipient and be cost effective. It is reviewed at least every 6 months and revised when the recipient's condition changes. Services available to recipients include case management, homemaker, personal care, adult day care, respite, habilitation, medical alert monitor, meals, transportation, environmental modification, respiratory therapy, nursing services, adult residential care provided in a personal care or assisted living facility, or adult foster home and a number of specialized services for recipients with a traumatic brain injury. The Department contracts with agencies to provide case management services. Case management teams are headquartered in Missoula (3), Billings, Great Falls (3), Helena (2), Bozeman, Sidney, Miles City, Kalispell (2), Butte (2), Lewistown, Roundup, Polson and Havre.

Discretionary programs differ from entitlements in that eligible people are not automatically served when they apply. Access is limited by the amount of funding available. The home and community services waiver program is a discretionary program. Discretionary programs generally have waiting lists when the demand for services exceeds the supply.

Spending and Funding Information

The following figures show funding and expenditure information for FY 2006 for all sources of funding for the Home and Community Based Waiver Program... Because the figures include all sources of funding there are no direct relationships between these figures and appropriation levels presented in the Budget Analysis for the 2007 Biennium.

FY 2006 Funding

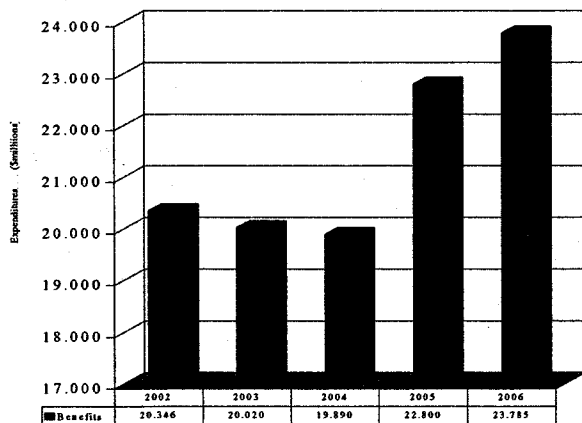


FY 2006 First Level Expenditures

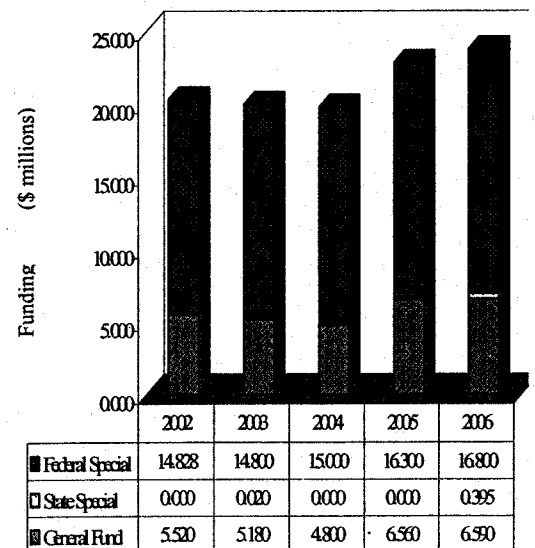
Benefits,
\$23,837,792

The above information does not include administrative appropriations. The Program was appropriated \$1,820,000 for caseload expansion in fiscal year 2006. The appropriations were received from the Department of Public Health and Human Services. They were used to fund waiver services (benefits and claims) for 1938 Montanans who are elderly or disabled. The following figures show funding and expenditures from FY 2002 through FY 2006, for HB 2 funding. This program has no administrative appropriations.

Historical Expenditures



Historical Funding



The change in revenues and expenditures between fiscal 06 and 07 resulted from legislative allocation to increase number of waiver recipients.

2007 BIENNIUM NEW PROGRAM IMPLEMENTATION AND PROGRAM EXPANSION

Program Expansion

The 2005 legislature allocated skilled nursing facilities and community based providers direct care worker wage increases of \$13.7 of general fund, tobacco state special revenue and federal funds over the biennium to increase direct care worker wages by a \$1.00 (75 cents and hour in salary and 25 cents and hour in benefits). Report on the implementation of these direct care wage increases was provided to the Legislative Finance Committee in the interim.

The 2005 legislature approved a 3% provider rate increase in nursing facility and community services programs, including the waiver, funded with I-149 state special revenue and federal Medicaid matching funds.

The 2005 legislature funded an expansion of the home and community based services waiver by approximately 112 people using general funds, state special revenue from I -149 funds and federal Medicaid funds in the amount of \$1.9 million dollars.

FTE

There were no requests for additional FTE in the 2007 Biennium in the waiver program.

2007 Biennium FTE Hire Dates	FTE	Date

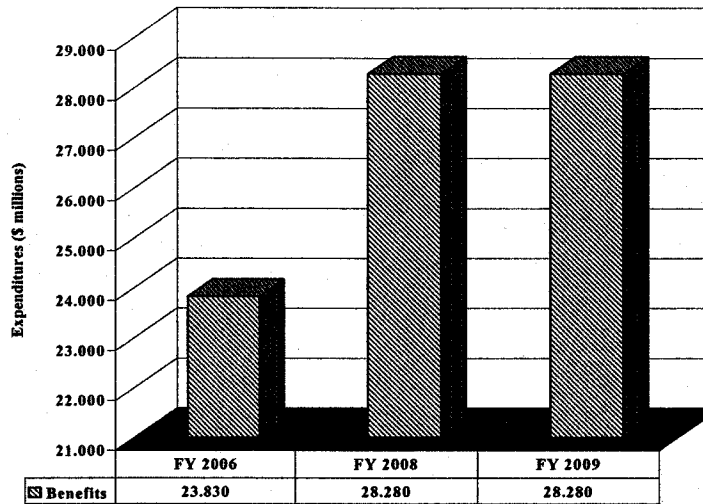
CORRECTIVE ACTION PLANS

N/A

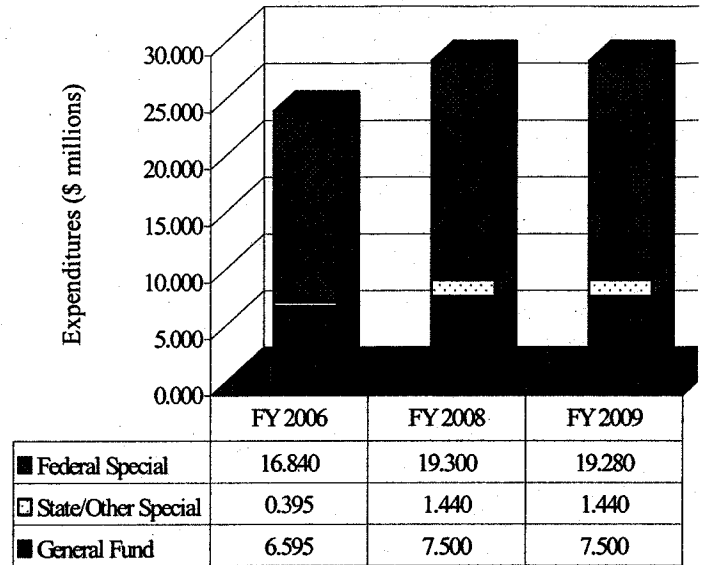
2009 BIENNIUM BUDGET

The following figures show the proposed HB 2 budget for the 2009 biennium.

DPHHS
2009 Biennium HB2 Budget



DPHHS
2009 Biennium HB 2 Budget



Goals and Measurable Objectives

The following figure shows the Home and Community Based Waiver Program's base year and budgeted biennium goals and performance measures that are associated with the proposed 2009 biennium HB 2 budget.

Department of Public Health and Human Services Senior and Long Term Care Division Home and Community Based Waiver Program		
Measurable Objectives for the 2009 Biennium		
Goal	Measurable Objectives	Current status of Measures
Support Montanans in their desire to stay in their own homes or live in smaller community based residential settings for as long as possible.	<p>Increase the total amount of the Senior and Long Term Care Division budget that goes to home and community services.</p> <p>Increase the percentage of Montanans age 65 or older who live at home or in small residential alternatives.</p> <p>Increase the number of people served under the Medicaid Home and Community Based Services (HCBS) Waiver by at least 100 over the biennium.</p> <p>Maintain the average length of stay for an individual on the HCBS Waiver waiting list at less than one year.</p>	<p>25%</p> <p>Currently 94.5%</p> <p>Current Caseload is 1938 DP 22119</p> <p>Currently Average Length of Stay is 280 Days</p>

Operate an efficient and cost effective long-term care system.	Maintain the total long-term care expenditures of the SLTCD within the budget established by the legislature for each year of the 2008/2009 biennium.	Achieved- Medicaid overarching goal
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BUDGET AND POLICY ISSUES

All of the following budget issues are included in the Home and Community Based Waiver budget submitted to the Governor's Office.

DP 22209 Annualize Waiver Expansion Costs **LFD B-195** Annualize the expansion of the waiver program which occurred in 2007 and is not included in the base and adjust the funding from general fund to state special revenue.

DP 22212 Medicaid Waiver FMAP Adjustment **LFD- B- 196** Recognition of changes in the federal participation rate change (FMAP) for Medicaid funded programs.

DP 22217 FMAP Changes for I 149 Provider Rate Increase **LFD B-199**

DP 22220 FMAP Changes for I 149 Direct Care Wages for Medicaid Waiver **LFD B-200**

DP 22119-Waiver Expansion **LFD B -201** Expansion of the Home and Community Based Waiver program to serve approximately 102 new individuals waiting to access community services in home or assisted living settings, supported living, or heavy care services. Request for \$5,298,110 total funds over the biennium including \$1.6 million in general funds.

DP 22501 Provider Rate Increases LFD B-201 2.5% provider rate increase in Waiver program

SIGNIFICANT ISSUES

1. Community Services: As anticipated with the aging of Montanans, the necessity for long term care services is increasing. The federal mandate to transition individuals with disabilities from institutional settings to community settings is being implemented across Montana. The statewide initiative is an effort to remove barriers to community living for people of all ages with disabilities and long-term illnesses. It represents an important step in working to ensure that all Montanans have the opportunity to learn and develop skills, engage in productive work, choose where to live and participate in community life. From the federal level, this initiative encourages states to increase funding for individuals requiring community long term care services and guarantee a steady allocation of resources to community based programs.

2. Demand for Assisted Living: The growth of assisted living facilities (ALF's) has been phenomenal over the past ten years. Although the growth seems to have recently stabilized; the number of Medicaid recipients waiting for this service is continually increasing. The pressure for Medicaid reimbursement for assisted living necessarily follows. Medicaid reimbursement for ALF's is only available through the Medicaid Waiver. One of the most difficult policy questions is how to expand reimbursement for assisted living without creating a highly desirable publicly funded entitlement that may reduce the incentive people have to plan to meet their own long term care needs, and be ultimately unaffordable as Baby Boomers enter the long term care marketplace.

3. Waiting List: Currently, there are 516 people waiting for the HCBS Waiver program. The waiting list is expected to grow due to the aging population, the increase in demand for assisted living facilities and the desire of more individuals who are older or who have disabilities to receive care at home rather than in a nursing facility or hospital. The average

Senior and Long Term Care Division
Home and Community Based Waiver Analysis
 January 23, 2007

Waiver Slots vs Recipients
 FY 04 - FY 09

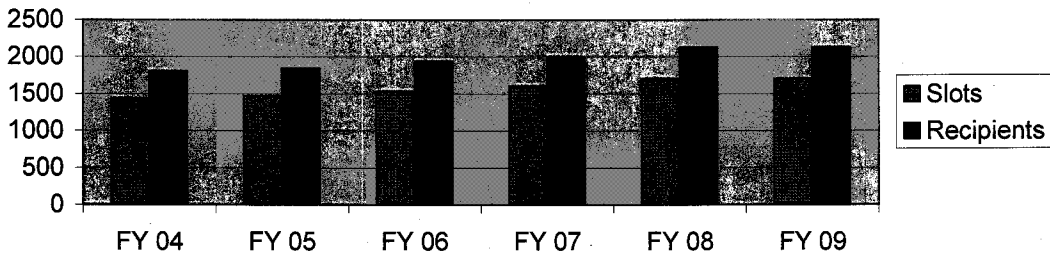
Fiscal Year	Slots	Recipients
FY 04	1435	1802
FY 05	1469	1843
FY 06	1529	1938
FY 07	1601	2001
FY 08	1703	2129
FY 09	1703	2129

Note 1: The number of recipients is approximately 25% higher than the number of slots.

Note 2: The number of slots from FY 07 to FY 08 was increased by 102 new slots as part of the EPP. No new slots are expected in FY 09.

Slots	Previous FY	Expansion	NF Transition	Total Slots
FY 06	1469	45	15	1529
FY 07	1529	56	16	1601
FY 08	1601	102		1703
FY 09	1703	0		1703

FY 04 - 09 Waiver Slots and Recipients



2005		2006	
Type of Slot	No of Consumers	Type of Slot	No of Consumers
Basic	1152	Basic	1244
CC3	97	CC3	82
TBI (Bridges/Headways)	36	TBI (Bridges/Headways)	22
AR	558	AR	589
All Consumers	1843	All Consumers	1937

GENERAL SUMMARY REPORT

HOME and COMMUNITY BASED SERVICES WAITING LIST

Recipients Actively Waiting, by Gender, D/E, CM Team and Service

As of 9/30/06

Total Recipients 644

Unduplicated Recipients 516

GENDER

	<u>Recipients</u>	<u>Percent</u>
Males	182	28.26
Females	462	71.74
Total	644	100.00

D/E Status

	<u>Recipients</u>	<u>Percent</u>
Disabled:	200	31.06
Elderly:	430	66.77
Child <21	14	2.17
Total	644	100.00

HCBS Service Requested

	<u>Recipients</u>	<u>Percent</u>
Basic	278	41.93
Adult Residential	343	51.73
Supported Living	15	2.26
Vent Dependent	2	0.30
Bridges/Headway	14	2.11
Total Services	663	100.00

NOTE:

Some recipients request more than one service.

CM TEAM

	<u>Recipients</u>	<u>Percent</u>
Billings Team	155	24.07
Bozeman Team	33	5.12
Butte Team	14	2.17
Great Falls Team	69	10.71
Helena Team	35	5.43
Kalispell Team	40	6.21
Lewistown Team	3	0.47
Miles City Team	6	0.93
Missoula Disabled Team	49	7.61
Missoula Elderly Team	21	3.26
Sidney Team	2	0.31
Great Falls AAA Team	33	5.12
Havre AAA Team	9	1.40
Helena AAA Team	40	6.21
Missoula AAA Team	45	6.99
Polson AAA Team	18	2.80
Roundup AAA Team	62	9.63
Conrad AAA Team	10	1.55
Total	644	100.0

NOTE:

128 of these recipients are on multiple lists. The unduplicated number waiting is 516.

length of stay on the waiting list was 274 days in fiscal year 2004; 293 days in fiscal year 2005; and 280 days in fiscal year 2006.

4. Nursing Home Transition Project: Since the initial development of Montana's Home and Community-Based (HCBS) Waiver in 1982, residents of Montana nursing facilities have routinely returned to their own homes or moved into small residential settings such as Assisted Living Facilities. In addition to these ongoing placements, beginning in FY 2000 the Senior and Long Term Care Division (SLTCD) implemented a more proactive strategy to identify nursing facility residents who want to move into community services, and for whom appropriate, cost effective, community services could be developed. These nursing facility transition projects have been implemented in the spirit of providing services in the least restrictive environment and in cooperation with nursing facilities and the HCBS Waiver case management teams. Since FY 2004, over 100 people have transitioned from nursing homes into community services, with dollars for services following them from the nursing facility into the community. The SLTCD will continue to utilize resources from the nursing facility program budget to fund these community placements under the HCBS waiver.

5. Grants: Federal agencies provide funding to assist states in implementing systemic changes to better serve individuals with disabilities and elderly in the setting of their choosing. Montana currently has two such grants: the Big Sky Bonanza grant and the Traumatic Brain Injury grant.

Big Sky Bonanza Grant: Parents of minor children and spouses with a disability were not able to be reimbursed to take care of their loved one. Family members had to seek outside employment while their child or spouse received care from individuals who have little knowledge of the scope of care the children or spouses require. Some couples even divorced in order to be reimbursed for the care they provide their loved ones. The Big Sky Bonanza grant was applied for in response to Senate Joint Resolution No. 18, which directed the Department of Public Health and Human Services to implement a waiver with more flexibility which allows family members to receive reimbursement for providing certain services to minor children and spouses. The Department of Public Health and Human Services was awarded the grant by the Centers for Medicare Medicaid (CMS) in September 2003. The grant award totals \$499,963. The new waiver is currently being implemented in six pilot sites. The pilot counties are: Missoula, Sanders, Silver Bow, Verhead, Fergus and Cascade.

Traumatic Brain Injury (TBI) Grant: According to the Center for Disease Control, Montana has the second highest per capita rate of traumatic brain injuries in the United States. Based on CDC data, as well as figures collected by the Brain Injury Association of Montana, there are approximately 10,920 Montanans living with a long-term disability as a result of TBI. This represents 1.2% of the state's population. In examining sub-populations in the state, it was determined that American Indians had the highest incidence rate of all ethnic/cultural groups. This is supported by national research from CDC. It has been estimated that American Indians suffer brain injuries at approximately twice the rate of the general population. In order to address the issues facing Montana the department applied for the grant which was awarded by the Health Resources and Services Administration. The grant award totals \$600,000. The goals of the grant are to educate individuals regarding brain injuries, do outreach to underserved populations; with an emphasis on American Indians; and increase coordination of services for individuals with brain injuries and families.

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

Senior and Long Term Care Division

Community Services Bureau

Home Based Medicaid Services: Personal Assistance

DEPARTMENT DIVISION PROGRAM CONTACTS

Title	Name	Phone Number	E-mail address
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Deputy Director	John Chappuis	444-4088	jchappuis@mt.gov
Administrator	Kelly Williams	444-4147	kewilliams@mt.gov
Bureau Chief	James Driggers	444-4544	jdriggers@mt.gov
Fiscal Chief	Norm Rostocki	444-4143	nrostocki@mt.gov

WHAT THE PROGRAMS DO

Medicaid Personal Assistance Services consists of medically necessary in-home services provided to Medicaid recipients whose health problems cause them to be functionally limited in performing activities of daily living. These services include activities related to a recipient's physical health and personal hygiene, such as bathing, transferring, feeding, grooming, toileting, medications reminders, limited homemaking tasks, and escort to Medicaid reimbursable health care services. The goal of the Personal Assistance Services Program is to prevent or delay institutionalization by providing medically necessary maintenance or supportive care in the home. Personal Assistance is an entitlement under the state Medicaid program.

Statutory Authority For Programs

State Authorization: MCA 53-6-1001. Federal Authorization: Section 1902 of the Social Security Act authorizes States to administer or supervise the administration of Medicaid programs in accordance with Federal requirements.

HOW SERVICES ARE PROVIDED

Montana has provided Medicaid Personal Assistance Services since the late 1970's. Montanans refer to this program as the "agency-based" program, as enrolled provider agencies manage the services on behalf of the consumer. As a state plan program, there are no restrictions based on age or disability, rather services are authorized based on functional limitations resulting from a discernable diagnosis. The upper limit is 40 hours of assistance per week. Services are billed in 15-minute increments at the rate of \$ 3.80.

As a result of grass roots legislative efforts, Montana launched the Self-Directed Personal Assistance Program in October 1995. The program is designed to allow consumers to hire, train, manage, schedule and discharge their attendants. Consumers must demonstrate capacity to manage their care or have a surrogate or personal representative manage their care; those who do not are referred to the agency-based program. Consumers in the self-directed program can receive the same services outlined in the agency-based program with the addition of health maintenance activities. There is an exemption to Montana's Nurse Practice Act that allows the consumer to manage their bowel care, catheter care, medication administration and wound care.

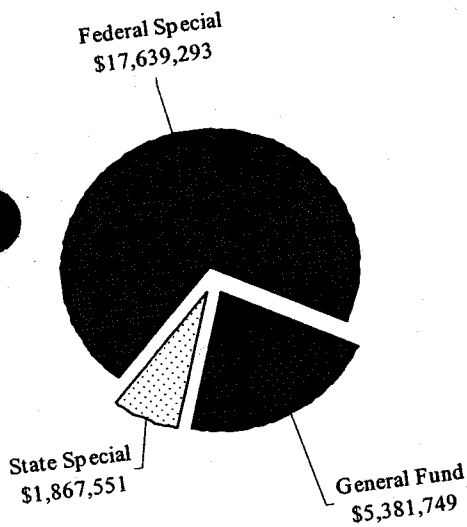
The upper limit is 40 hours of services per week. Services are billed in 15-minute increments at the rate of \$

The provider agency must train and supervise the attendants and make scheduled home visits to determine the continuing need for Medicaid Personal Assistance Services and assess the quality of services provided. The personal assistance attendant is paid only for the hours and tasks authorized by a contracted 3rd party authorizing agent.

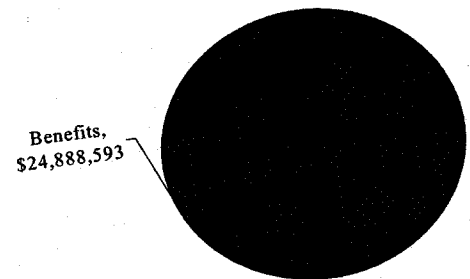
Spending and Funding Information

The following figures show funding and expenditure information for FY 2006 for all sources of funding of the Personal Assistance Services program. This program has no administrative appropriations.

FY 2006 Funding

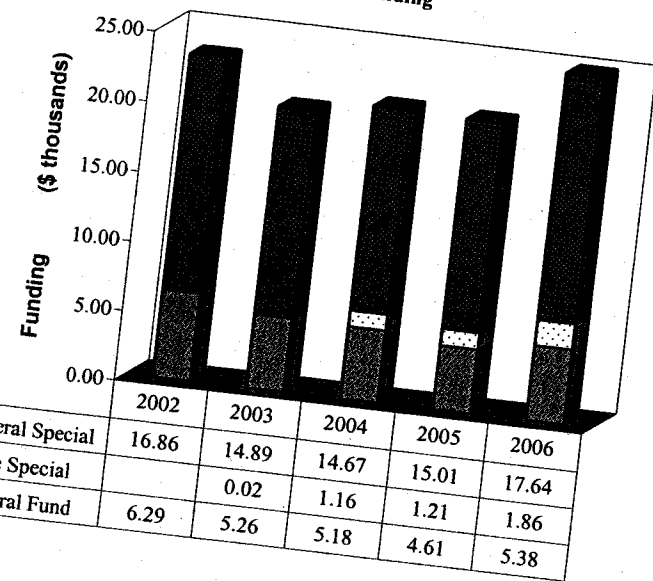


FY 2006 First Level Expenditures

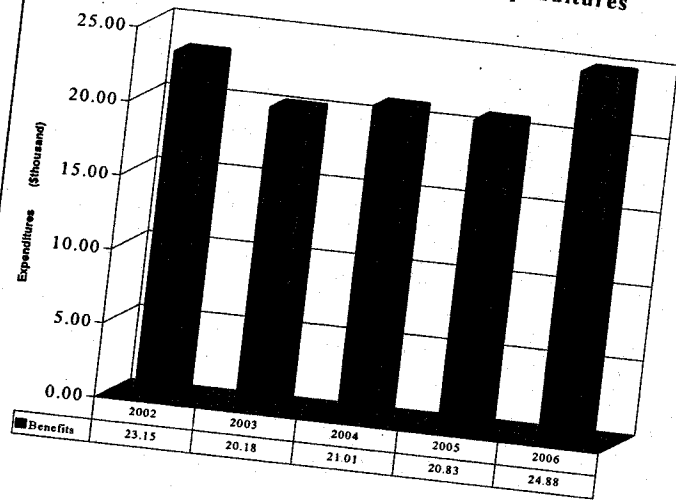


The following figures show funding and expenditures from FY 2001 through FY 2006, for HB 2 funding.

Historical Funding



Historical Expenditures



cause personal assistance is such a critical component of the array of services that enable people to live at home, the demand for personal assistance services has increased rapidly over the past decade, at times threatening to exceed the appropriation from the legislature. In FY2001, Senior and Long Term Care Division instituted the 3rd party prior authorization system through which a contractor, Mountain Pacific Quality Health, verifies each consumer's eligibility for personal assistance and establishes the number of hours of service each consumer is authorized to receive on weekly basis. Criteria are established by the SLTCD. The contract has significantly reduced the program's rate of growth, ensuring no additional reductions in the program are necessary at this time. Given the value of personal assistance services, term demand is likely to continue to increase as the population of Montana continues to age. The presence of the authorization contract ensures that any such growth will be consistent with the rules of the program. In FY 2002 and 2006, a direct care wage initiative attributed to the increase in the expenditures to the program. During the budget of FY 2003 the program reduced services to consumers. The services reduced consisted of bathing and household which brought the program expenditures back to FY2001 levels.

7 BIENNIUM NEW PROGRAM IMPLEMENTATION AND PROGRAM EXPANSION

Program Expansion

Community Services Bureau implemented a 3% Medicaid provider rate increase and a direct care salary increase for Assistance Services with funding using I-149 tobacco state special revenue and federal Medicaid funds. The direct care wage funds were allocated to community based providers specifically to fund direct care worker wage up to \$1.00 in wages and benefits. The Senior and Long Term Care Division provided a written report on the direct care wage increases to the Legislative Finance Committee in the interim. The provider rate increase and direct care salary increase were implemented in July 2005. Even with wage increases the difficult nature of the work

January 23, 2007

combined with increasing job opportunities in the non-health care service sector, have resulted in a continuing staffing is for personal care agencies.

FTE

No new FTE were authorized in the 2007 biennium for this program.

2007 Biennium FTE Hire Dates	FTE	Date

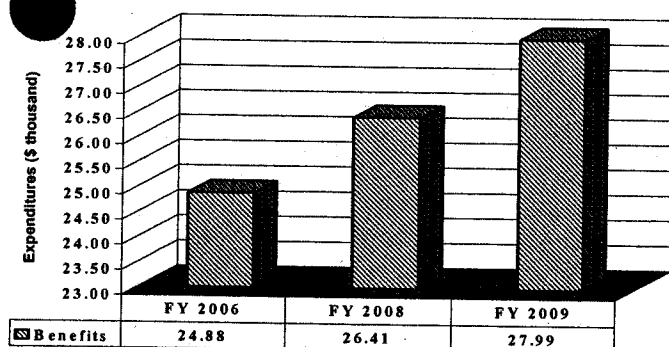
CORRECTIVE ACTION PLANS

The Personal Assistance program did not have any audit recommendations or corrective action plans in place during the 2007 biennium

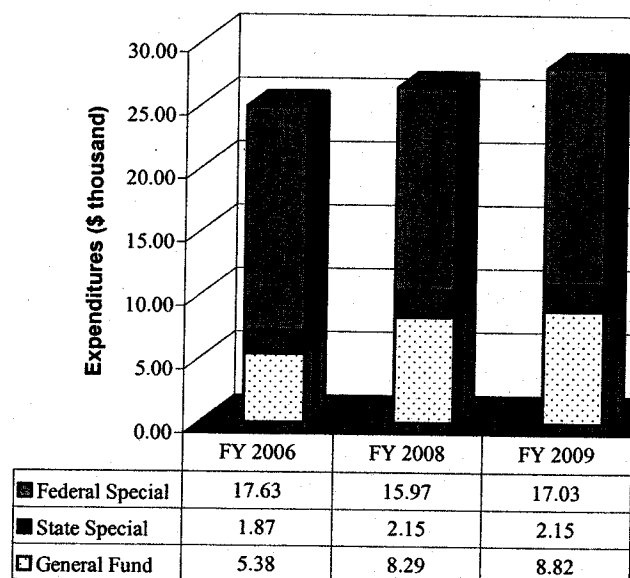
2009 BIENNIUM BUDGET

The following figures show the proposed HB 2 budget for the 2009 biennium.

DPHHS
2009 Biennium HB2 Budget



DPHHS
2009 Biennium HB2 Budget



Goals and Measurable Objectives

The following figure shows the department base year and budgeted biennium goals and performance measures that associated with the proposed 2009 biennium HB 2 budget.

Department of Public Health and Human Services Senior and Long Term Care Division Community Services Bureau / Personal Assistance		
Measurable Objectives for the 2009 Biennium		
Goal	Measurable Objectives	Current status of Measures
Operate an efficient and cost effective long-term care system.	Maintain the total long-term care expenditures of the SLTCD within the budget established by the legislature.	Continue contract with Mountain Pacific Quality to authorize Personal Assistance Services uniformly across the State. Monitor Personal Assistance expenditures within appropriation levels.

BUDGET AND POLICY ISSUES

The following budget or policy issues are included in the department budget submission to the Governor's Office.

DP 22211 PLA Home Based Medicaid FMAP Adjustment LFD B-196 Federal participation rate changes (FMAP) impact this Medicaid funded program

DP 22214 PLA Home Based Caseload LFD B-198 Caseload adjustments for home based services include Personal Assistance which is expected to grow at 5% per year over the biennium.

DP 22216 FMAP Change for I 149 Home Based Provider Rate Increase LFD- B199 Adjustment for FMAP changes

DP 22219 FMAP I-149 Home Based Direct Care Wages LFD B-200 Adjustment for FMAP changes

DP 22501 NP Provider Rate Increase LFD -B201 2.5% provider rate increase is being requested for the Personal Assistance Program.

Other Issues

Intergovernmental Fund Transfer (IGT)/General Fund Replacement: Montana has had an IGT program, which provides additional financial support to at-risk nursing facilities by utilizing local county revenues as match in the Medicaid program since 2001. The 2003 Legislature utilized IGT state special revenue funding to replace general fund dollars in the base budget of the nursing facility program of approximately \$640,000 in each year of the biennium and an additional \$1,000,000 in each year of the biennium in the home based (personal assistance) base budget. There is a definite possibility that there will be counties that will decide to not participate in the "at risk" program once the state defines what allowable arrangements between counties and their affiliated facilities are. To the extent some of these counties do not participate, the ability to have the funds necessary to fund the base budget in the home based and nursing facility programs on an ongoing basis comes into question. Not only is the "at risk" payment program at risk of being reduced, but also so is the funding of the base budget in these programs. *New rules have recently been published in January 18th Federal Register that will limit the amount of funds that can be paid to certain providers under these types of payment plans. The Department is analyzing the impact of these new restrictions on the program and does not yet have an assessment of the impact to Montana...

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
Senior and Long Term Care Division
Community Services Bureau
Hospice

DEPARTMENT DIVISION PROGRAM CONTACTS

The department, division, program director and chief financial officer for the department, division, program and their contact information are:

Title	Name	Phone Number	E-mail address
Director	Joan Miles	444-5622	jmiles@mt.gov
Deputy Director	John Chappuis	444-4088	jchappuis@mt.gov
Administrator	Kelly Williams	444-4147	kewilliams@mt.gov
Bureau Chief	James Driggers	444-4544	jdriggers@mt.gov
Fiscal Chief	Norm Rostocki	444-4143	nrostocki@mt.gov

WHAT THE PROGRAMS DO

Hospice is an entitlement program under Medicaid that provides health and support services to the terminally ill and their families to deal with issues surrounding death and dying. The approach to treatment recognizes the patient's impending death and as a result palliative/comfort care, rather than curative care, is delivered.

Statutory Authority for Programs

State Authorization: MCA 53-6-1001. Federal Authorization: Section 1902 of the Social Security Act authorizes States to administer or supervise the administration of Medicaid programs in accordance with Federal requirements. Section 1814(I) (1) (c) (ii) of the Social Security Act establishes payment rate calculation.

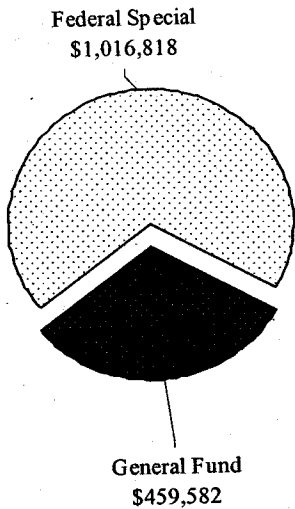
HOW SERVICES ARE PROVIDED

Services are mainly provided in the recipients' home to augment services being provided by family or other caregivers. The hospice service package includes the following when delivered in direct relationship to the terminal condition: nursing, medical social services, physician services, bereavement counseling, dietary consult, inpatient care for acute pain, family respite, nursing facility room and board, durable medical equipment, pharmaceuticals and therapy services. Each recipient receives a mix of these services based upon their specific plan of care. Medicaid hospice rates are calculated from the annual hospice rates established under Medicare. 240 individuals received Medicaid hospice services during FY 2006.

Spending and Funding Information

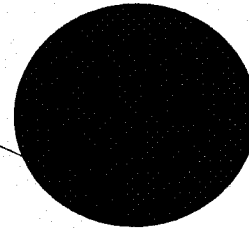
The following figures show funding and expenditure information for FY 2006 for all sources of funding of the Hospice program. The hospice program has no administrative appropriations

FY 2006 Funding



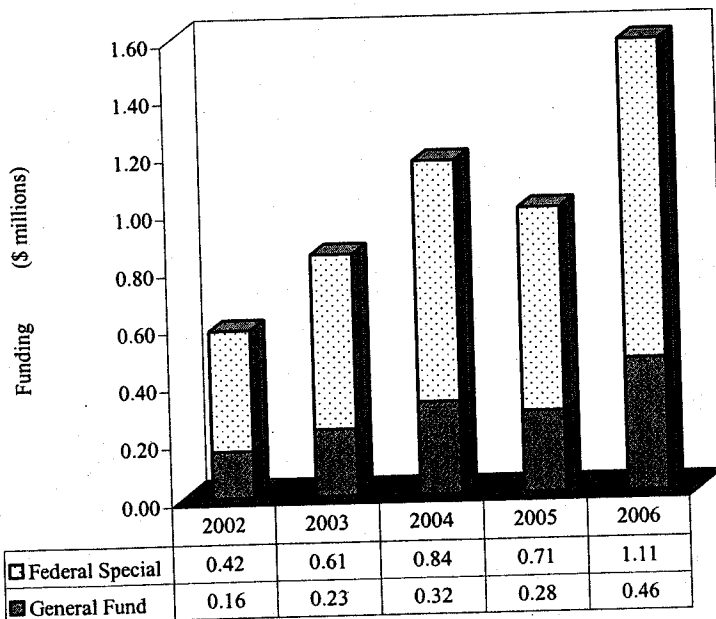
FY 2006 First Level Expenditures

Benefits, \$1,566,400

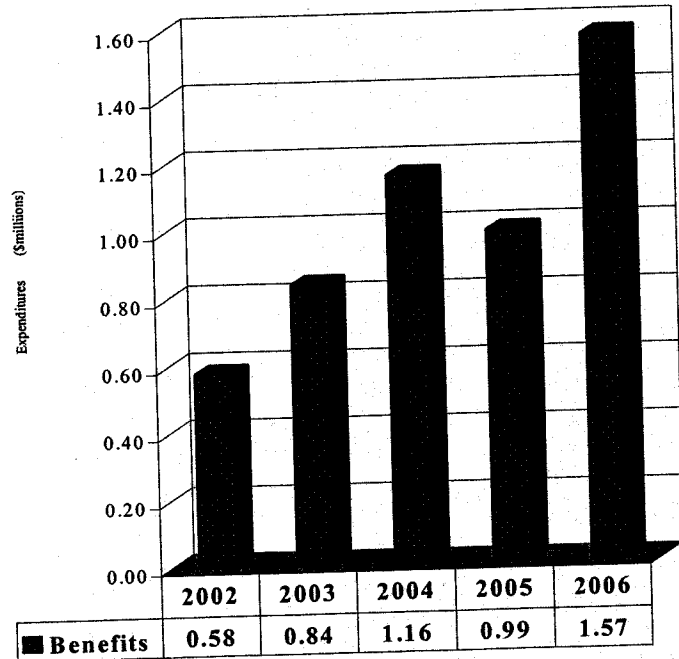


The above information does not include administrative appropriations. The following figures show funding and expenditures from FY 2002 through FY 2006 for HB 2 funding.

Historical Funding



Historical Expenditures



The change in revenues and expenditures between fiscal 2002 and 2006 resulted from increased utilization of hospice services. The increase can be attributed largely to the on going national public education campaign, as well as acceptance by the medical community and families of comfort and palliative care.

2007 BIENNIUM NEW PROGRAM IMPLEMENTATION AND PROGRAM EXPANSION

Program Expansion

- The Hospice rate has increased over the biennium because the rate is tied to the Medicare rate. As Medicare Hospice rates increase, the Medicaid rate follows.
- During the 2003 legislative session elimination of the Hospice program was proposed in order to stay within established funding limits for the Department. Funding was secured during the Legislature through SB 485 to continue to fund Hospice by utilizing tobacco settlement funds through the Prevention and Stabilization account. This source of state special revenue funding was a one-time source of funding and the Division asked the 2005 Legislature to continue to provide funding for Hospice services during the 2006/2007 biennium. The I-149 initiative, which increased the tax on tobacco products effective 1/1/2005, was used by the SLTCD as the source of revenue to continue to fund these services in the 2006/2007 biennium.

FTE

No new FTE were authorized in the 2007 biennium for this program.

2007 Biennium FTE Hire Dates	FTE	Date

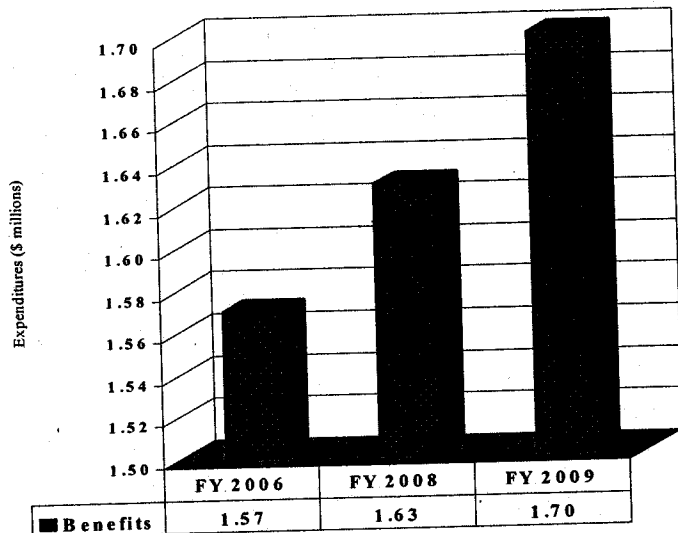
CORRECTIVE ACTION PLANS

The Hospice program did not have any audit recommendations or corrective action plans in place during the 2007 biennium.

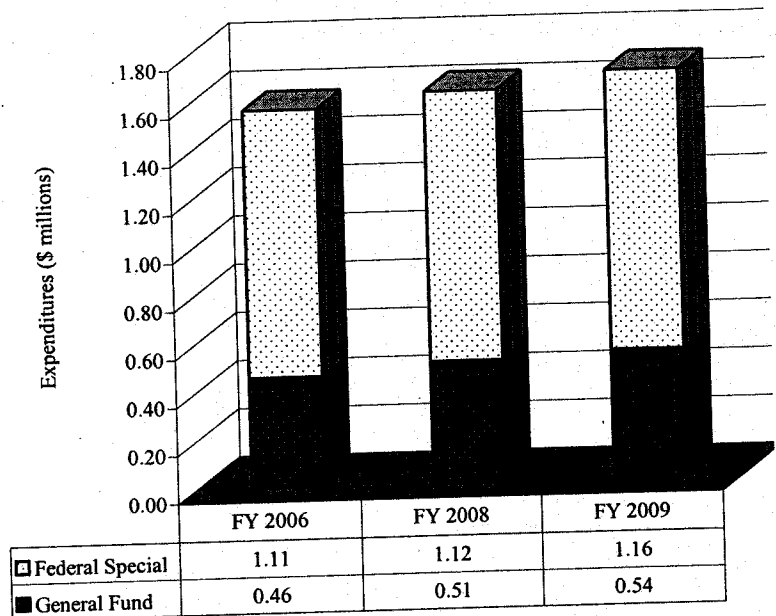
2009 BIENNIUM BUDGET

THE FOLLOWING FIGURES SHOW THE PROPOSED HB 2 BUDGET FOR THE 2009 BIENNIUM.

DPHHS
2009 Biennium HB 2 Budget



DPHHS
2009 Biennium HB2 Budget



Department of Public Health and Human Services
Senior and Long Term Care Division
Community Services Bureau / Hospice

Measurable Objectives for the 2009 Biennium

Goal	Measurable Objectives	Current status of Measures
Operate an efficient and cost effective long-term care system.	Maintain the total long-term care expenditures of the SLTCD – hospice program within the budget established by the legislature.	Division is operating budget within appropriation levels and monitors expenditure activity and utilization of services monthly.

BUDGET AND POLICY ISSUES

The following budget or policy issues are included in the department budget submission to the Governor's Office.

DP 22211 PLA Home Based Medicaid FMAP Adjustment LFD B 196 Changes related to the federal participation rate (FMAP) reduction.

DP 22214 PLA Medicaid Home Based Caseload Adjustment LFD B 198 Caseload adjustment for Medicaid home based services that include personal assistance/ home health/ and hospice. Medicaid caseload adjustments of approximately 5 % per year over the biennium in all Home Based services.

Significant Issues Expanded

There are no other significant issues identified.

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

Senior and Long Term Care Division

Community Services Bureau

Home Health

DEPARTMENT DIVISION PROGRAM CONTACTS

Title	Name	Phone Number	E-mail address
Director	Joan Miles	444-5622	jmiles@mt.gov
Deputy Director	John Chappuis	444-4088	jchappuis@mt.gov
Administrator	Kelly Williams	444-4147	kewilliams@mt.gov
Bureau Chief	James Driggers	444-4544	jdriggers@mt.gov
Fiscal Chief	Norm Rostocki	444-4143	nrostocki@mt.gov

WHAT THE PROGRAMS DO

Home Health Services are medically necessary nursing and therapy services provided in the residence of Medicaid recipients. Services are designed to be delivered on a part time or intermittent basis to prevent or delay institutionalization. These services include skilled nursing, home health aides, physical therapy, occupational therapy, and speech therapy. The program also covers medical supplies and minor equipment used in the home in conjunction with the delivery of services.

Statutory Authority For Programs

State Authorization: MCA 53-6-1001. Federal Authorization: Section 1902 of the Social Security Act 42 USC 1396 et.seq. authorizes States to administer or supervise the administration of Medicaid programs in accordance with Federal requirements.

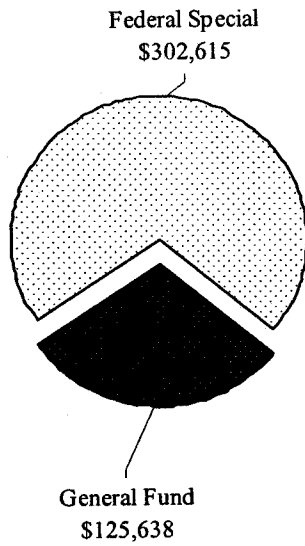
HOW SERVICES ARE PROVIDED

These services must be ordered by physician and provided by a licensed and certified home health agency. The nurse or therapist must follow a physician's plan of care and document the progress toward individual goals. Services remain in the home until the episode is resolved or until no progress is being made in therapies. Home health is not designed to provide continual long-term support to individuals. Home health services are a federally mandated entitlement under Medicaid.

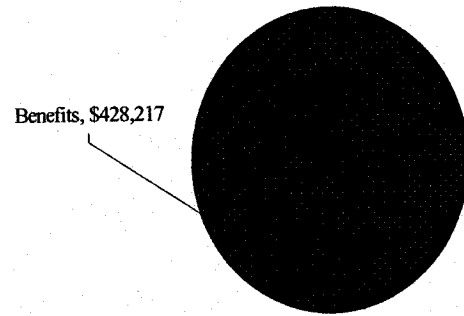
Spending and Funding Information

The following figures show funding and expenditure information for FY 2006 for the Home Health program.

FY 2006 Funding

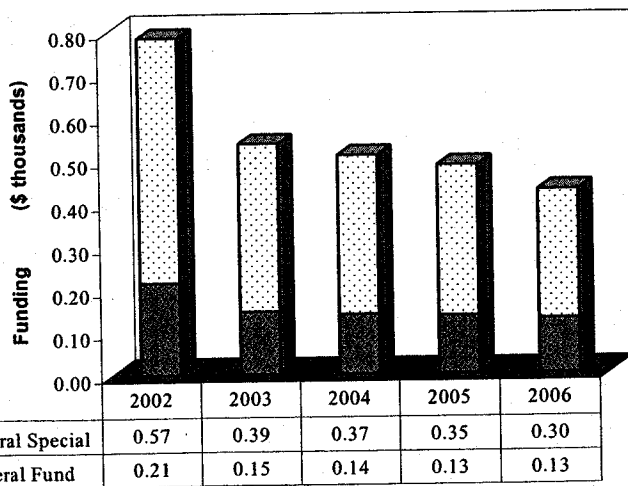


FY 2006 First Level Expenditures

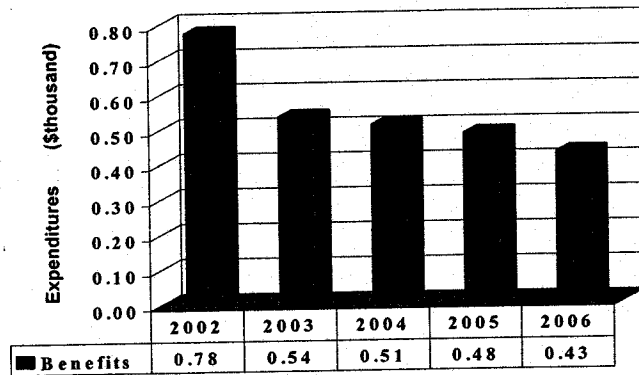


The following figures show funding and expenditures from FY 2002 through FY 2006, for HB 2 funding.

Historical Funding



Historical Expenditures



Medicaid expenditures for home health services have declined over the past five years for a variety of reasons, including changes in Medicare reimbursement that have influenced overall service utilization, the implementation of a new Medicaid fee for service prospective payment system which reduced expenditures and eliminated cost settlement procedures, and a shift of some Medicaid home health expenditures to other less costly programs such as private duty nursing. Since the impact of most of these changes on home health expenditures have already been realized, expenditures have begun to stabilize and would be expected to increase again slightly in the coming biennium. 397 people received home health services in FY 2006.

2007 BIENNIUM NEW PROGRAM IMPLEMENTATION AND PROGRAM EXPANSION

Program Expansion

The Community Services Bureau implemented a 3% provider rate increase for Home Health services with Medicaid funding in the 2007 biennium. The provider rate increases were implemented as of July 2005 in this program.

During the 2003 legislative session elimination of Home Health Therapies was proposed in order to stay within established funding limits for the Department. Funding was secured during the Legislature through SB 485 to continue to fund Home Health Therapies by utilizing tobacco settlement funds through the Prevention and Stabilization account. This source of state special revenue funding was a one-time source of funding and the Division asked the 2005 Legislature to continue to provide funding for Home Health services during the 2006/2007 biennium. The I-149 initiative, which increased the tax on tobacco products effective 1/1/2005, was used as the source of revenue to continue to fund these services in the 2006/2007 biennium.

FTE

No new FTE were authorized in the 2007 biennium for this program.

2007 Biennium FTE Hire Dates	FTE	Date

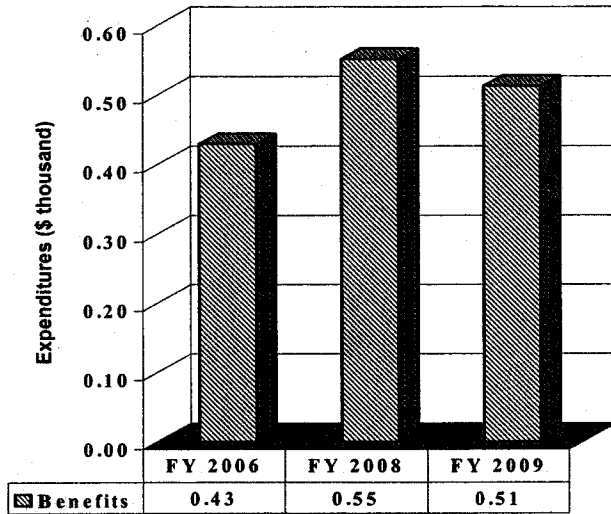
CORRECTIVE ACTION PLANS

There Home Health program did not have any audit recommendations or corrective action plans in place during the 2007 biennium.

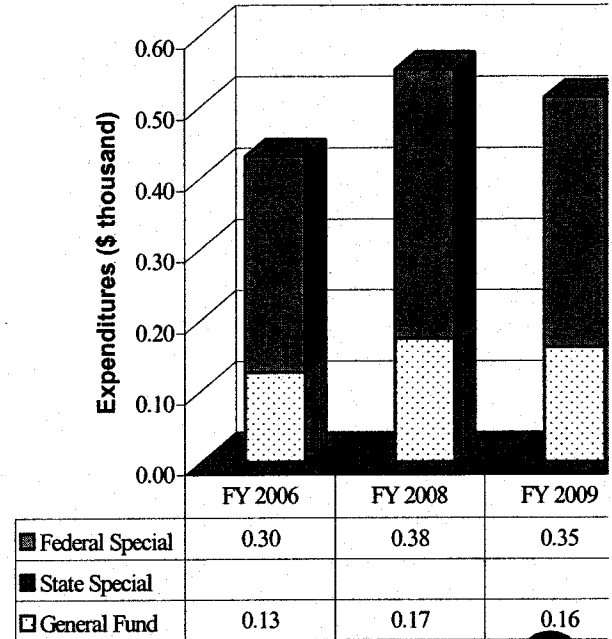
2009 BIENNIUM BUDGET

The following figures show the proposed HB 2 budget for the 2009 biennium.

DPHHS
2009 Biennium HB2 Budget



DPHHS
2009 Biennium HB2 Budget



Goals and Measurable Objectives

The following figure shows the department base year and budgeted biennium goals and performance measures that are associated with the proposed 2009 biennium HB 2 budget.

Department of Public Health and Human Services Senior and Long Term Care Division Community Services Bureau /Home Health		
Measurable Objectives for the 2009 Biennium		
Goal	Measurable Objectives	Current status of Measures
Operate an efficient and cost effective long-term care system.	Maintain the total long-term care expenditures of the SLTCD within the budget established by the legislature for each year of the 2008/2009 biennium.	Achieved- Program totals have been stable or declining

BUDGET AND POLICY ISSUES

The following budget or policy issues are included in the department budget submission to the Governor's Office.

DP 22211 PLA Home Based Medicaid FMAP - LFD B-196 Federal participation rate changes (FMAP) impact this Medicaid funded program

DP 22214 PLA Home Based Caseload LFD B-198 Caseload growth for Medicaid home based services, which includes home health.

DP 22216 PLA FMAP change for I 149 Home Based Provider Increases - LFD B-199

DP 22501 NP Provider Rate Increase LFD- B201 2.5% provider rate increase.

Other Issues None

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

Senior and Long Term Care Division Aging Services

DEPARTMENT DIVISION PROGRAM CONTACTS

The department, division, program director and chief financial officer for the department, division, program and their contact information are:

Title	Name	Phone Number	E-mail address
Director	Joan Miles	444-5622	jmiles@mt.gov
Deputy Director	John Chappuis	444-4088	jchappuis@mt.gov
Administrator	Kelly Williams	444-4147	kewilliams@mt.gov
Bureau Chief	Charlie Rehbein	444-7788	crehbein@mt.gov
Bureau Chief	Norm Rostocki	444-4143	nrostocki@mt.gov

WHAT THE PROGRAM DOES

The Office on Aging (Aging Services Bureau) in the Senior and Long Term Care Division has been designated as the State Unit on Aging for the purposes of administering the Older Americans Act programs in Montana. The Office on Aging contracts with the "Aging Network", which consists of 10 Area Agencies on Aging, 26 County Councils on Aging, 177 Senior Centers, 191 congregate meals sites and 156 home delivered meal providers as well as numerous local providers serving Montana's growing elderly population.

Statutory Authority For Program

The Office on Aging, which has been designated as the State Unit on Aging, is authorized under the Older Americans Act of 1965, as amended and under MCA 2-15-2206, which says: Office of aging. (1) There is an office of aging, headed by a coordinator of aging. The office is in the department of public health and human services.

HOW SERVICES ARE PROVIDED

The Office on Aging is organized into the following two functions: program services and contracted services. The Office on Aging contracts with the 10 Area Agencies on Aging to provide services to Montana's 60 and older population. These services include congregate meals, escort services, home chore, home delivered meals, home health aide, homemaker, health screening, information referral and assistance, legal assistance, long term care ombudsman services, medical transportation, nutrition counseling, personal assistance attendant, respite care, senior center, shopping assistance, skilled nursing, telephone reassurance, and transportation. Eight (8) FTE work in the Aging Services Bureau. The program services which are also provided from the Office on Aging are, State Ombudsman Services, Legal Developer Services, Information and Assistance Services, and the State Health Insurance Assistance (SHIP) Program.

The Long-Term Care Ombudsman is the advocate for all residents of long-term care facilities (mainly nursing homes and personal care homes). Ombudsmen act as access points for consumers by providing information or direct assistance regarding concerns about the health, safety and rights of residents.

The Elderly Legal Assistance Program provides training for seniors, family members and others on elder law. The program develops pro-bono and local legal service referrals, training materials and telephone assistance to seniors on legal questions.

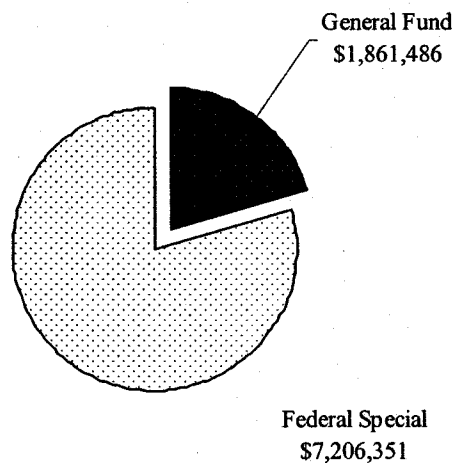
The State Health Insurance Assistance (SHIP) Program is a statewide source of program information for beneficiaries of Medicare, Medicaid, Medicare supplemental policies, long-term care insurance and other health insurance benefits.

Information, Assistance and Referral Program is a service designed to link Montana's seniors, their family members and caregivers with needed services. There are 82 I&A Technicians statewide who work through Area Agencies to provide information about services, make proper referrals, and do public education and outreach work within their communities.

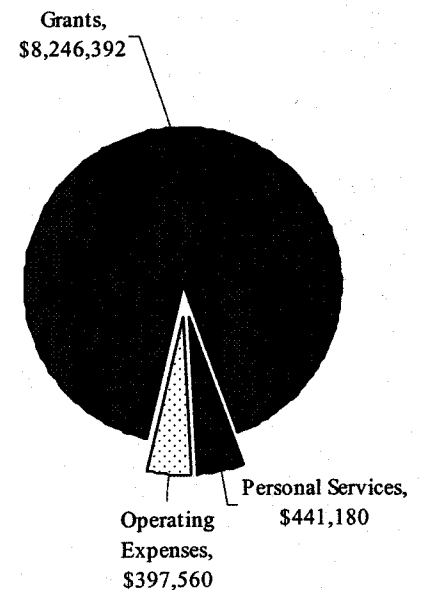
Spending and Funding Information

The following figures show funding and expenditure information for FY 2006 for all sources of funding of the Office on Aging in the Senior and Long Term Care Division. Because the figures include all sources of funding there are no direct relationships between these figures and appropriation levels presented in the Budget Analysis for the 2007 Biennium.

FY 2006 Funding



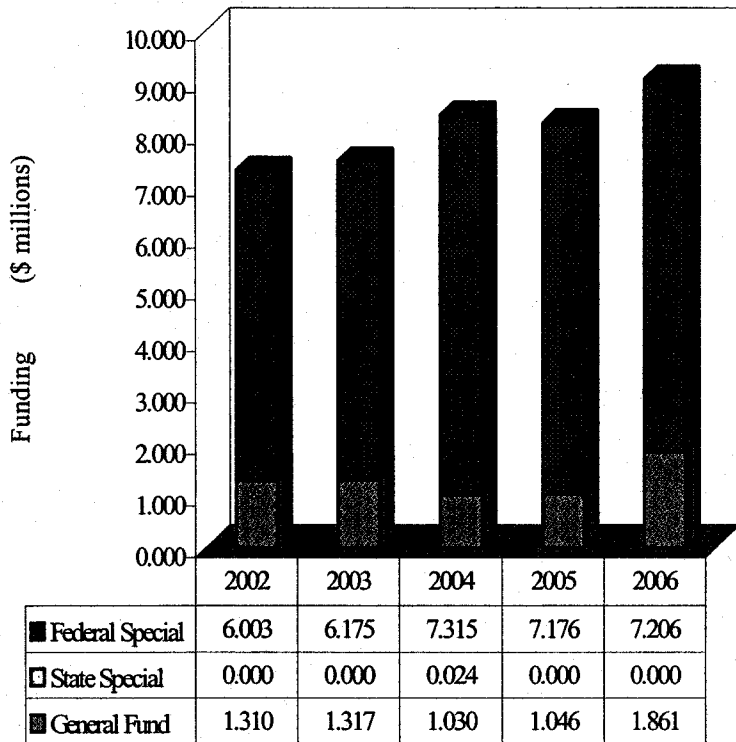
FY 2006 First Level Expenditures



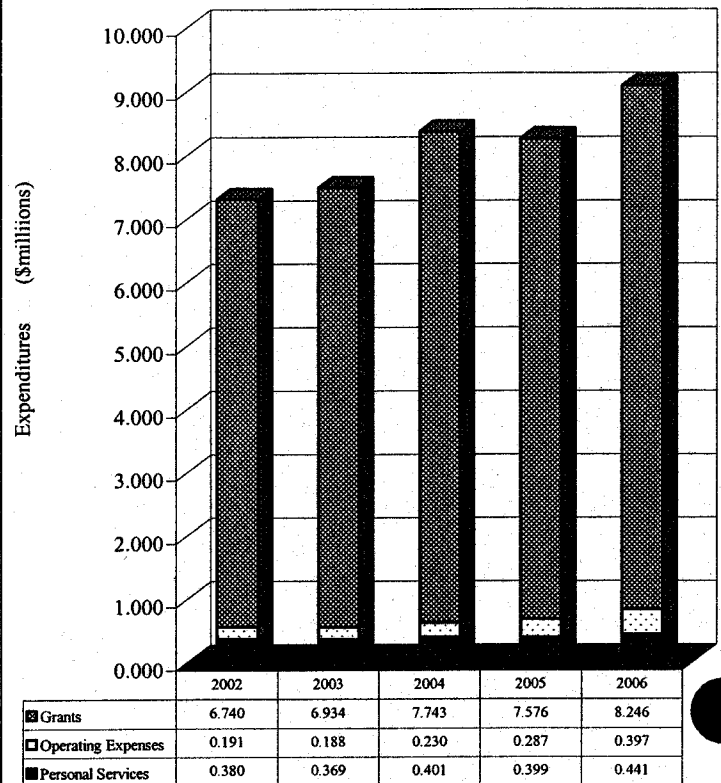
Departmental indirect charges are not included as expenditures or revenues in the above tables.

The following figures show funding and expenditures from FY 2001 through FY 2006, for HB 2 funding.

Historical Funding



Historical Expenditures



The change in revenues and expenditures between fiscal 2005 and 2006 resulted from the following:
 The Federal Special was increased due to the Alzheimer Demonstration grant and an increase in SHIP funding.
 The change in State Special Revenue was due to the expenditures in the Governor's Annual Aging Conference account.
 The increase in State General fund resulted from the one time only funding of \$567,000 per year for Home Delivered Meals and \$600,000 for the biennium for Caregiver Support services.

2007 BIENNIUM NEW PROGRAM IMPLEMENTATION AND PROGRAM EXPANSION

Program Expansion

The Aging Services Bureau implemented or expanded several programs with One Time Only general funding in the 2007 biennium.

The 2005 Legislature provided for this biennial, restricted, one-time-only general fund appropriation of \$600,000 to support in-home caregiver services. The legislature added language to HB2 that the appropriation be used to contract with local providers and not expended in the form of Medicaid matching funds. These funds were passed through to Area Agencies on Aging to provide in-home caregiving services to elderly citizens.

ing in their homes. The appropriation was designated as one-time-only and as such, it is not included in the 2006 base budget.

The 2005 Legislature provided \$567,000 of OTO general funds to the Aging programs for grants to local Area Agencies on Aging for Meals on Wheels, congregate feeding programs and other programs for the elderly in the community. \$257,000 of this dollar amount represents funding that was removed during the 2003 biennium from these programs and was temporarily restored during FY2004 with federal funds from Jobs and Growth Tax Relief Reconciliation Act and \$310,000 which represents new general fund added in the 2005 biennium. This appropriation was designated as one-time- only and as such, it is not included in the 2006 base budget.

FTE

No new FTE were added in the 2007 Biennium

2007 Biennium FTE Hire Dates	FTE	Date

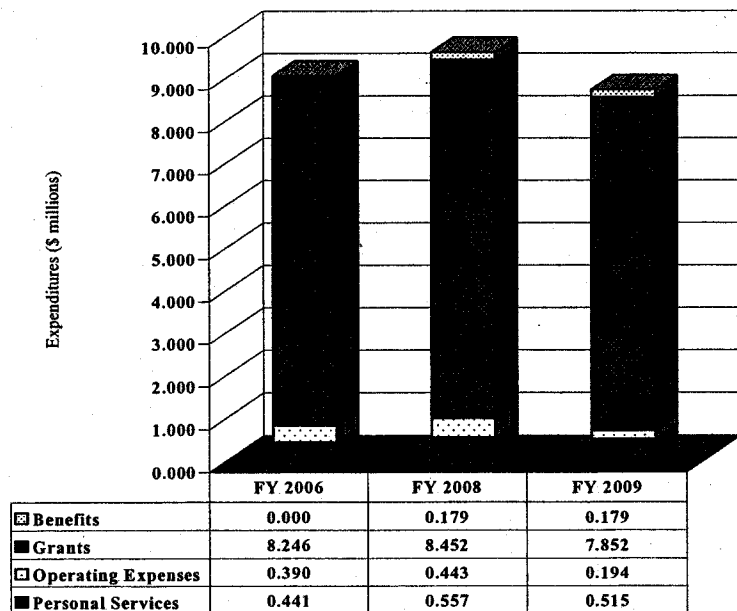
CORRECTIVE ACTION PLANS

The bureau had no audit or corrective actions during the 2007 biennium.

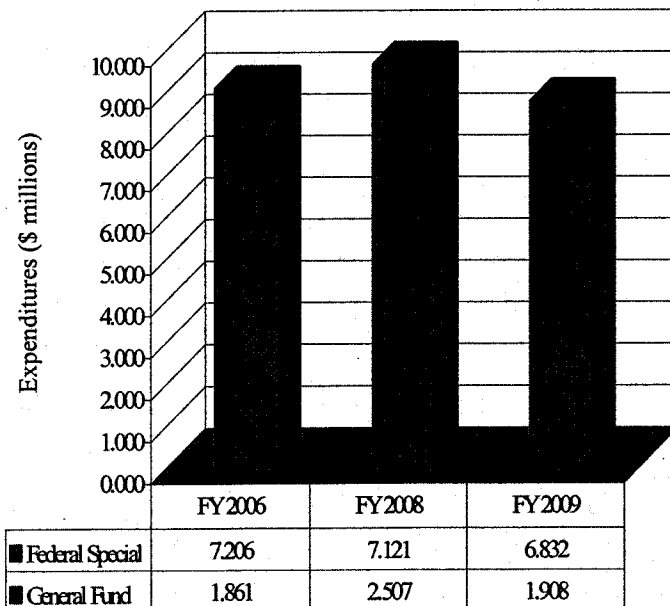
2009 BIENNIUM BUDGET

The following figures show the proposed HB 2 budget for the 2009 biennium.

DPHHS
2009 Biennium HB2 Budget



DPHHS
2009 Biennium HB2 Budget



Goals and Measurable Objectives

The following figure shows the department base year and budgeted biennium goals and performance measures that are associated with the proposed 2009 biennium HB 2 budget.

Department of Public Health and Human Services Senior and Long Term Care Division/Aging Services		
Measurable Objectives for the 2009 Biennium		
Goal	Measurable Objectives	Current status of Measures
Increase the ability of Montanans to prepare to meet their own long term care needs, or the long term care needs of a relative or friend.	<p>1. Increase the number of requests for information on the State Aging Hotline and AAA toll free number each year.</p> <p>2. Maintain or increase the number of home delivered meals served through the Aging Network</p> <p>3. Increase the number of individuals served each year by the State Health Insurance Program (SHIP)</p> <p>4. Maintain or increase the average monthly visitation rates by ombudsmen to licensed nursing facilities, assisted living facilities and Critical Access Hospitals with swing beds each year.</p> <p>5. Increase the number of counties that have Aging and Disability Resource Centers and increase the number of clients these Centers assist with eligibility for public benefits.</p> <p>6. Increase the number of caregivers receiving supportive services (including respite care) and increase the project income for these services.</p>	<p>AAA line calls were 20,000 Aging Hotline 3,000</p> <p>630,371 home delivered meals were provided in 2006</p> <p>42,000 contacts were made in 2006</p> <p>Visits to nursing homes, assisted living facilities were on average one per month</p> <p>Yellowstone and surrounding counties have resource centers Missoula/Ravalli Co added in 2007</p> <p>Current project income is based on suggested donations and is at \$180,000 in 2006</p>

BUDGET AND POLICY ISSUES

The following budget or policy issues are included in the Department of Public Health and Human Services' Senior and Long Term Care Division, Aging Services budget submission to the Governor's Office.

NP- 22108 - Additional Aging Ombudsman Position – LFD B-210

Request for an additional 1.00 FTE Ombudsman in the Aging Bureau to address the increasing number of long term care facility options and concerns related to access and advocacy issues for long term care service recipients. This position will be funded from federal funds at approximately \$50,000 per year over the biennium.

NP- 22109 - Elderly Meal Programs –LFD B-210

This is a request for \$692,000 general fund each year over the biennium to support aging programs and grants administered by Area Agencies on Aging. This request makes permanent the one-time-only general fund appropriation of \$567,000 from the 2007 biennium and adds a new general fund appropriation of \$125,000 for the aging program.

NP- 22110 - Continue Aging In-Home Caregiver Program – LFD B-211

Request for \$600,000 in general fund over the biennium for Area Agencies on Aging to provide in-home caregiver services to elderly citizens residing in their homes. These funds were originally appropriated as one-time-only in the 2007 Biennium. In order to continue providing in-home services and assistance to caregivers of the elderly and disabled, the department is requesting continuation of the funding.

NP- 22112 - Additional SHIP FTE for Aging Services –LFD B-212

Request for 1.00 FTE in the Aging Services Bureau for the State Health Insurance Program (SHIP). The position would cost approximately \$48,000 per year in federal funds over the biennium.

NP- 22127 - SLTC Alzheimer Grant Continuation – LFD B212 (Technical Adjustment DP moved to HB 4)

This decision package requests \$290,000 in federal funds over the biennium. This is a continuation of funding for the third year of grant to implement goals and activities required to develop and/or improve systems for assistance to Montanans diagnosed with, or caring for those with, Alzheimer's disease and related disorders.

NP 22501 Provider Rate Increases: LFD B-212 Aging Service programs are included in the 2 ½% provider rate increase proposal at \$358,026 General Fund over the biennium.

SIGNIFICANT ISSUES EXPANDED

Aging Ombudsman Position -As more and more people move into Assisted Living, Nursing Homes and other community settings, there is an exponential demand for Ombudsman services. Thirty six new assisted living facilities have opened since 2002, bringing the total of Assisted Living facilities in the state to 187. In addition, 42 of the 43 the MT Critical Access Hospitals (CAH) now provide skilled nursing services through their swing beds. The remaining CAH is expected to have swing beds in 2007. With the increase in long term care beds, comes an increased demand for ombudsman services statewide.

Elderly Meal Programs The 2005 Legislature provided \$567,000 of OTO general funds to the Aging programs for grants to local Area Agencies on Aging for Meals on Wheels, congregate feeding programs and other programs for the elderly in the community. \$257,000 of this dollar amount represents funding that was removed during the 2003 biennium from these programs and was temporarily restored during FY2004 with federal funds from Jobs and Growth Tax Relief Reconciliation Act and \$300,000 which represents new general fund added in the 2005 biennium. This appropriation was designated as one-time- only and as such, it is not included in the 2006 base budget. This proposal requests that this funding be restored and continued for aging grants with general fund dollars on a permanent basis in the 2009 biennium.

In-Home Caregiver Program

The 2005 Legislature provided for this biennial, restricted, one-time-only general fund appropriation of \$600,000 to support in-home caregiver services. The legislature added language to HB2 that the appropriation be used to contract with local providers and not expended in the form of Medicaid matching funds. These funds were passed through to Area Agencies on Aging to provide in-home caregiving services to elderly citizens residing in their homes. The appropriation was designated as one-time-only and as such, it is not included in the 2006 base budget.

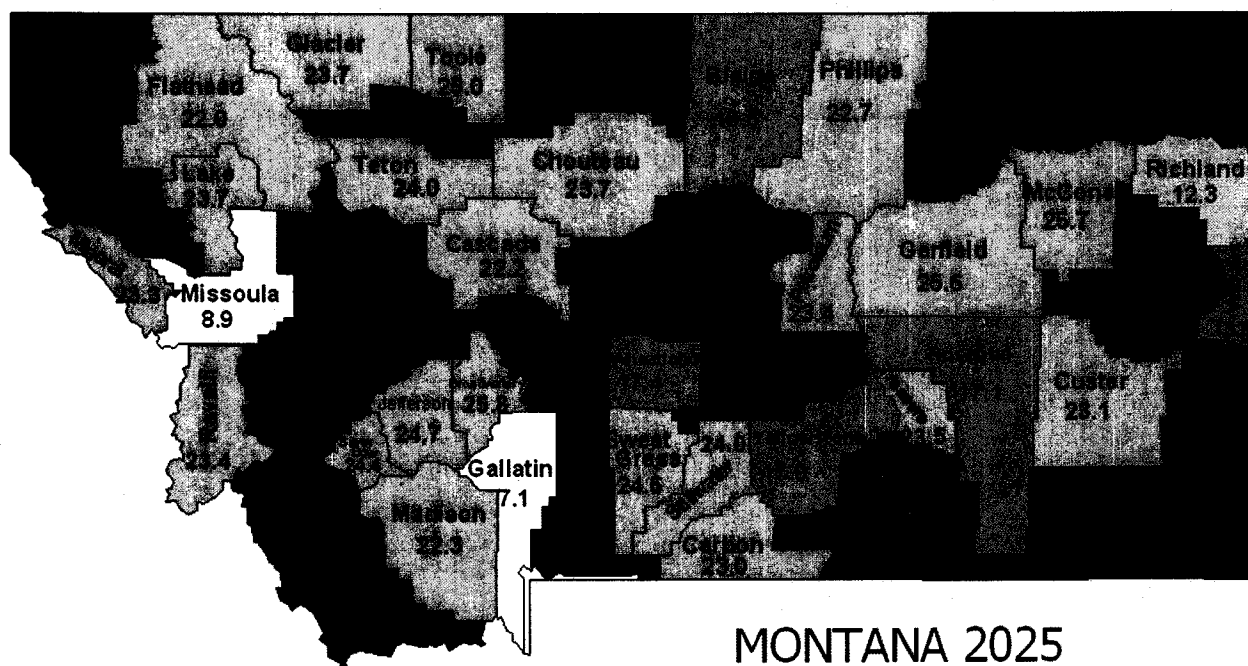
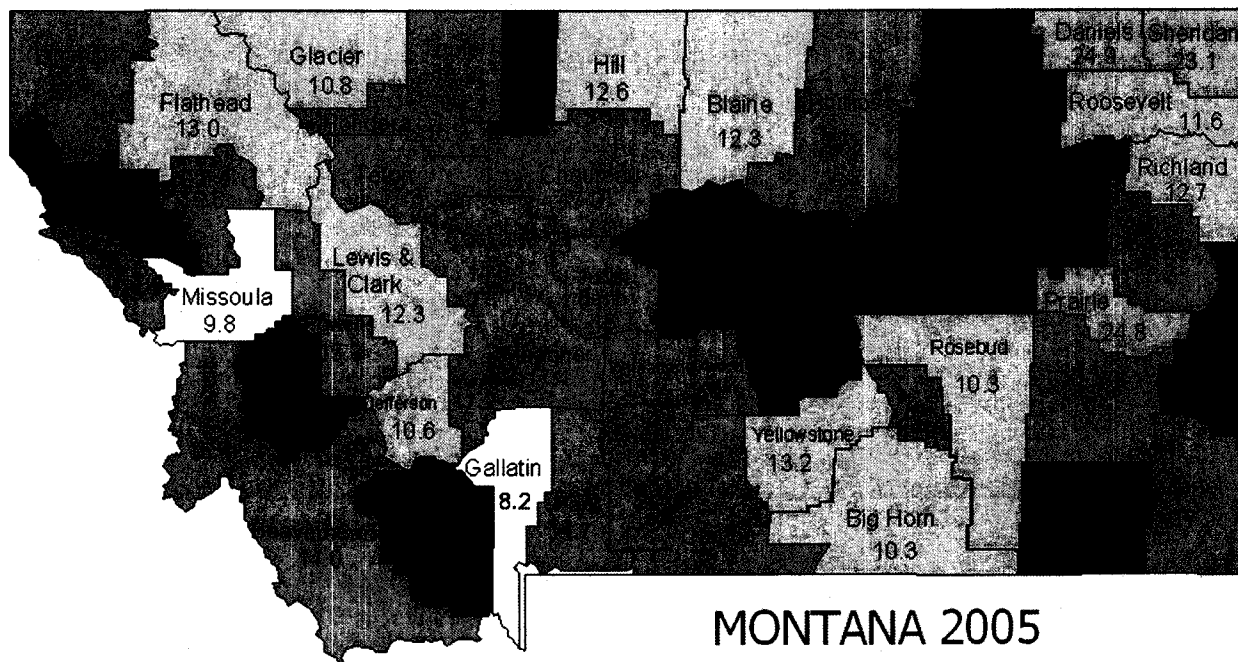
SHIP FTE The Aging Bureau has 1.00 FTE that comprises the State Health Insurance Program (SHIP). This is the primary contact point for state government for many seniors with questions about Medicaid, Medicare, VA benefits for elderly citizens and the new Medicare Prescription Program (Part D), and other elderly health related issues. This person travels extensively to provide on-site presentations throughout the state at Area Agencies on Aging and other forums. As the over 65 population grows rapidly, there is a critical need for an additional FTE dedicated to this function.

Older Montanans Trust Fund LC 0465 SB 155: Montana's elderly population is growing and currently ranks 14th in the nation in percentage of people over that age of 65. The aging of Montana's population is expected to continue at a rate faster than the national average and by 2025 Montana is projected to have the third largest proportion of all the states of residents age 65 years of age or older, with the fastest growing age group made up of those persons 85 years of age or older. And as Montana residents get older there will be increasingly large demands placed upon our health care system to

treat the elderly, which will become more and more of a financial burden on state government. In planning for the huge increase in the elderly and their potential service needs and costs, it would be prudent to create and begin funding a trust fund to provide for future service needs for older Montanans to assist them in maintaining their dignity and respect and to live independent life styles in the least restrictive setting.

STATE OF AGING IN MONTANA

PERCENTAGE OF MONTANANS 65 YEARS OF AGE OR OLDER BY COUNTY



PERCENT OF
COUNTY
POPULATION 65+



6.9 to 9.9



10.0 to 13.9



14.0 to 17.9



18.0 to 21.9

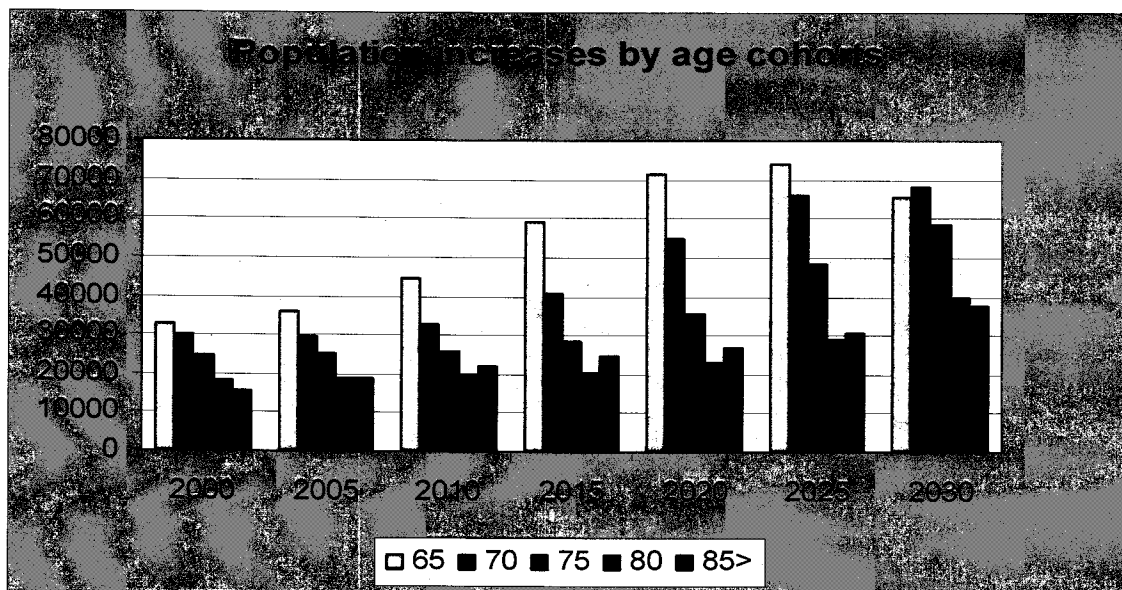
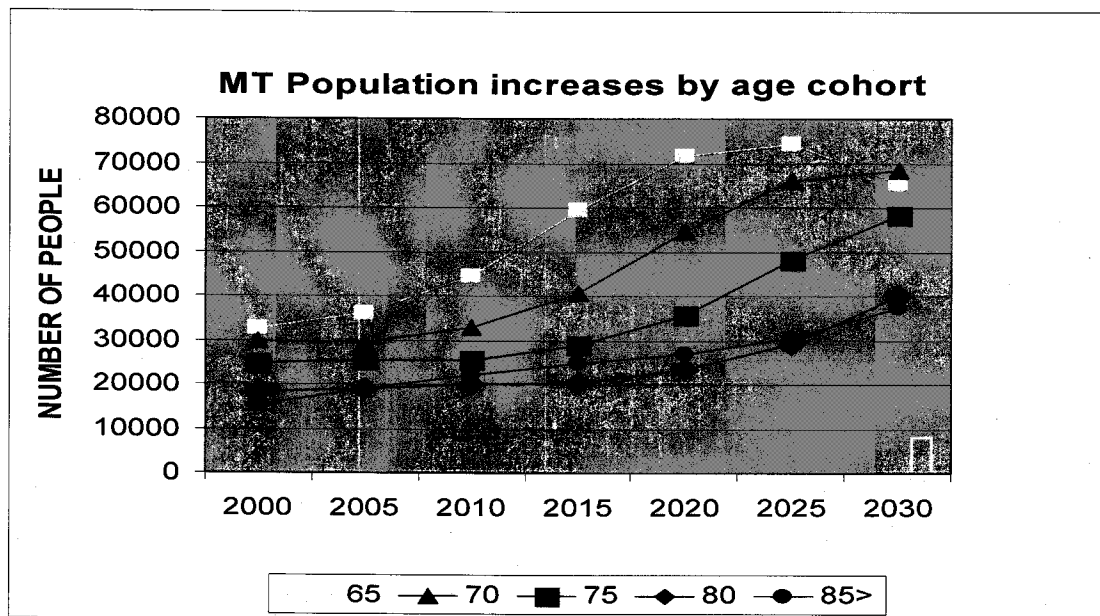


22.0 to 25.9



26 and over

AGING IN MONTANA
SENIOR AND LONG TERM CARE DIVISION
DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
JANUARY 2007



DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

Senior and Long Term Care Division Adult Protective Services

DEPARTMENT DIVISION PROGRAM CONTACTS

The department, division, program director and chief financial officer for the department, division, program and their contact information are:

Title	Name	Phone Number	E-mail address
Director	Joan Miles	444-5622	jmiles@mt.gov
Deputy Director	John Chappuis	444-4088	jchappuis@mt.gov
Administrator	Kelly Williams	444-4147	kewilliams@mt.gov
Bureau Chief	Rick Bartos	444-9810	rbartos@mt.gov
Fiscal Chief	Norm Rostocki	444-4143	nrostocki@mt.gov

WHAT THE PROGRAM DOES

Adult Protective Services (APS) functions are carried out by SLTCD social workers to prevent, intervene and protect vulnerable, frail senior citizens, disabled persons and persons with developmental disabilities from abuse, sexual abuse, neglect and financial exploitation. APS investigates abuse referrals, assesses risks to clients; provides emergency and voluntary protective services, including removal and emergency hold of victims and works with law enforcement in prosecution of criminal cases. Adult Protective Services is the department's agency of last resort for all adult guardianship and actively engages in prevention of abuse, neglect and exploitation activities.

Statutory Authority For Program

The Adult Protective Services program is authorized under the Montana Elder and Persons with Developmental Disabilities Abuse Prevention Act, section 52-3-801, et seq., MCA; Protective Services Act for Aged Persons or Disabled Adults, section 52-3-201, et seq., MCA; Montana Older Americans Act, section 52-3-501, MCA.

HOW SERVICES ARE PROVIDED

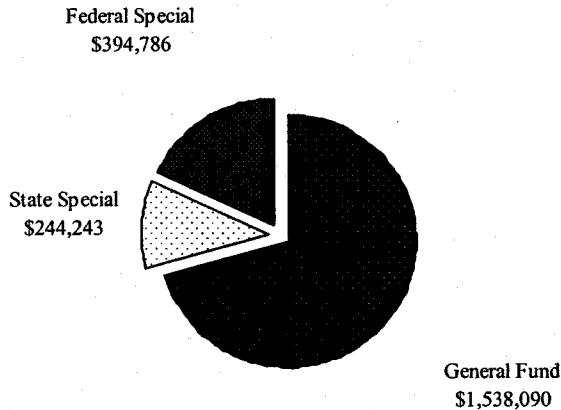
Adult Protective Services are a mandated service under Montana Law, but expenditures for the program are limited to the appropriation established by the legislature. Prevention and protective services are carried out by social workers located throughout Montana. The social workers activities include: Receiving reports of abuse, neglect or exploitation of the elderly (+60); disabled and a person with a developmental disability; investigates reports and assess risks to victims; intervenes to stop abuse, neglect, sexual abuse or exploitation by a variety of protective services options, including removing and placing the victim in a safe environment and petitioning the District Court for temporary guardianship; coordinating activities among federal, state and county agencies who provide human services and working with law enforcement in pursuing criminal prosecution; developing case management plans for clients; arranging for ongoing support services from other agencies; monitoring services and periodic re-evaluation of risk factors; educating professionals and the public regarding issues related to the prevention of abuse, neglect and financial exploitation of vulnerable citizens; assumes the role of court appointed guardian, conservator or surrogate decision-maker as the state agency of last resort for vulnerable citizens who are unable to do so themselves; makes medical and end-of-life decisions for wards; assists in the recovery of stolen assets; coordinates and assists in the development of community chapters on the prevention of elderly and persons with developmental disabilities from abuse; guardianship councils and provides emergency, temporary assistance for basic essentials through contingency funding authorized by the legislature.

Adult Protective Services staff consists of 38.75 FTE directly related to protective and support functions involving clients. Of this total, 29.75 FTE are social workers involved in direct services to vulnerable adults. The remaining positions include five regional supervisors, one case aide located in Glasgow, one administrative assistant located in Billings, a bureau chief and program officer located in Helena.

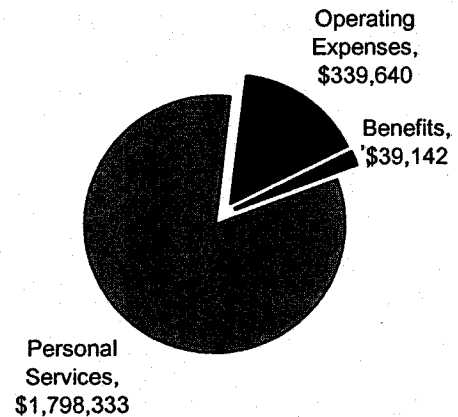
Spending and Funding Information

The following figures show funding and expenditure information for FY 2006 for all sources of funding of the Adult Protective Services Program. Because the figures include all sources of funding there are no direct relationships between these figures and appropriation levels presented in the Budget Analysis for the 2007 Biennium. This program is funded predominantly with general funds; other sources of funds are from state special revenue from lien and estate recoveries and Medicaid. The increases in expenditures represent increases in the cost of personal services related to the 38.75 FTE in this program.

FY 2006 Funding

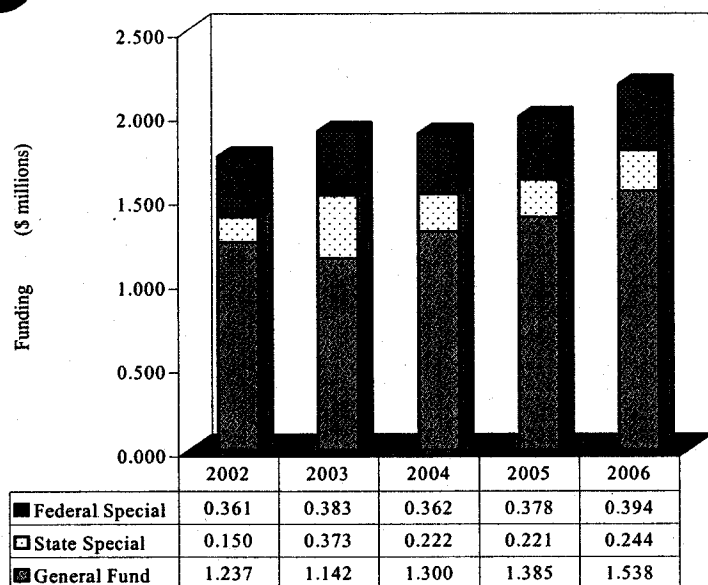


FY 2006 First Level Expenditures

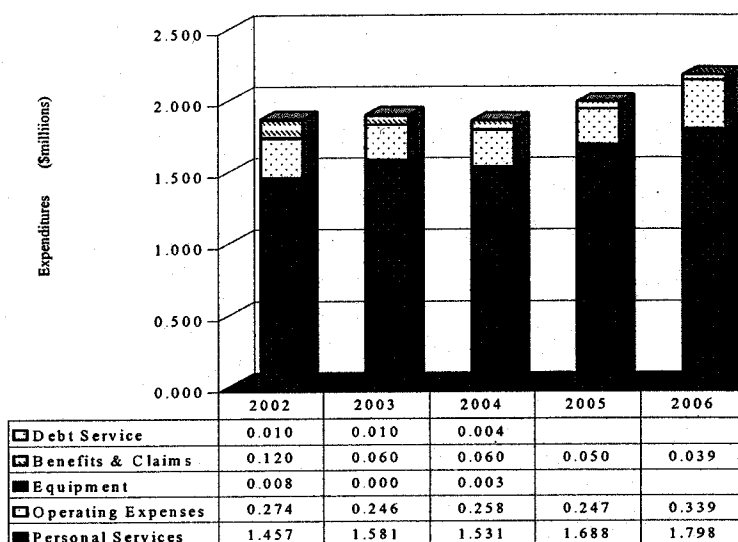


Departmental indirect charges are not included as expenditures or revenues in the above tables. This program did not have any administrative appropriations during the biennium. The following figures show funding and expenditures from FY 2001 through FY 2006, for HB 2 funding.

Historical Funding



Historical Expenditures



2007 BIENNIUM NEW PROGRAM IMPLEMENTATION AND PROGRAM EXPANSION

Program Expansion

No major programs were implemented or expanded in the Adult Protective Services program in the 2007 biennium.

FTE

No new FTE were authorized in the 2007 biennium for this program.

Corrective Action Plans

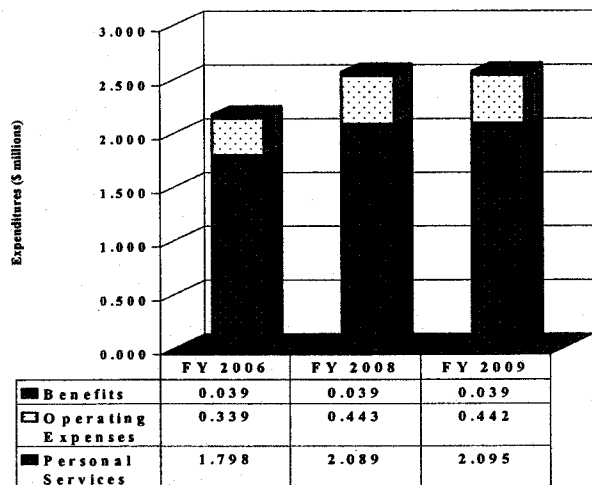
The Adult Protective Services program had a Caseload Management Performance Audit (04P-09) performed by the Legislative Audit Division in September, 2004 that addressed workload/caseload issues. Auditors recommended improvements in managing caseload and staff workload by developing management action plans that address: 1) developing caseload/workload management policies and procedures; 2) establishing useful management reports to better manage caseloads; 3) defining criteria to close cases; 4) performing on-going management assessment to address problems and documenting successes.

The Adult Protective Services program has implemented all of the components of the corrective action plan. The program underwent a system wide review of its caseload/workload management processes and policies. Commencing on July 1, 2005, the program initiated a sophisticated web-based computer data system known as Operation Protect Montana (OPM) and simultaneously adopted policies and coordinated changes with the computer system. The program instituted comprehensive caseload tracking by social worker; workload or acuity (difficulty of case) tracking; comparisons of workload and caseload by social worker, region, county and state; developed comprehensive reporting on duration of open referrals and comparisons among social workers, county, region and state; computer driven criteria to close cases; improved on-going management assessment on referrals, intervention and resources by instituting social work accepted standards.

2009 BIENNIUM BUDGET

The following figures show the proposed HB 2 budget for the 2009 biennium.

DPHHS
2009 Biennium HB2 Budget



DPHHS
2009 Biennium HB2 Budget

